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ABSTRACT

Recommendations for postsecondary education policies in Minnesota are offered in this biennial report submitted to the governor and legislature. The report includes recommendations on postsecondary education in southwestern Minnesota, fluctuating enrollments, student financial aid, financial planning and budget review, coordination of new instructional programs, regional planning, interstate reciprocity, the Private College Contract Program, the Minnesota Inter-Library Telecommunication Exchange (MINITEX) Program, transfer of credits, and guidelines for noncredit instruction. Additional data on these and other state and federal postsecondary education programs are included. (Author/LBH)

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REPORT TO THE 1977 MINNESOTA LEGISLATURE

Minnesota Higher Education Coordinating Board

U.S. DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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REPORT TO THE 1977
MINNESOTA LEGISLATURE

by the

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Suite 400 — Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101

JANUARY 1977

SUMMARY OF RECOMMENDATIONS

Following is a summary of the Board's recommendations to the 1977 Legislature. In order to fully understand the rationale for each recommendation, the reader is requested to examine the complete statements accompanying the recommendations in the report.

SOUTHWEST STUDY

The state must work toward public policy which effectively addresses projected post-secondary education enrollment declines in southwestern Minnesota and elsewhere in the state.

No action should be taken to close or consolidate institutions of post-secondary education.

The mission and conception of Southwest State University should be modified to make the institution more consistent with present and projected needs in terms of both size and nature of the institution. . . In order to make the mission of the institution consistent with the current and future needs, Southwest State should be continued as a regional university with academic baccalaureate and vocational-technical degree programs designed to meet regional needs. This does not imply that any change in mission will create an unusual increase in enrollment . . . Implementation of this recommendation will require that the State University Board formulate programmatic configurations appropriate to a revised mission in time for consideration by the 1977 Legislature.

Implementation of the revised mission for Southwest State University should begin immediately after legislative action during the 1977 session.

Since an institution of the size and type proposed will not require the use of all of the physical facilities available on the campus at Southwest State University, the State University Board should continue to identify portions of the physical facilities which can be allocated for use by other agencies and activities.

In order to assist in making post-secondary education in southwestern Minnesota responsive to regional needs and to facilitate interinstitutional cooperation and planning in responding to changing conditions, the cooperation of institutions serving the region should be continued and improved. Attention should be given to areas within the region, such as the Fairmont area, which may suffer from inadequate accessibility to post-secondary education opportunities.

FLUCTUATING ENROLLMENTS

In recognition of problems associated with accommodating a temporary enrollment bulge, appropriations made by the 1977 Legislature for institutions of post-secondary education for which an enrollment increase is anticipated should consist of two identifiable components: the basic appropriation reflecting current enrollments and a supplemental appropriation to accommodate any temporary enrollment bulges.

In order to avoid any additional excess in physical plants, any construction to increase the capacity of institutions should be approved only after thorough justification which fully recognizes projected enrollment declines and the availability of underused facilities at other institutions.

In order to stimulate appropriate planning at all levels, each Minnesota post-secondary institution should submit a comprehensive report developed by its governing board on plans and preparations for adjustments in programs, staffing, funding requirements and facilities for accommodating changing enrollments through the decade of the 1980s to the HECB for review and comment by September 1, 1977.

STUDENT AID PROGRAMS

In order to provide funding more nearly adequate to provide awards to all eligible applicants who demonstrate need, the 1977 Legislature should appropriate $19,102,900 for Fiscal Year 1978 and $25,532,300 for Fiscal Year 1979 to be awarded under the State Grant-in-Aid Program.

In order to provide for more equitable treatment of students who demonstrate need, the existing limitation on the amount of awards of one half of need should be modified so that the combination of a state grant-in-aid and a Basic Educational Opportunity Grant will not meet more than 75 percent of the student's need.

In order to permit grants to be awarded to all students with the greatest need in any year, those students who do not receive a state grant-in-aid at the time of entrance to post-secondary education should be made eligible to compete for grant-in-aid awards on an equal basis with students entering for the first time.

In order to provide appropriate financial assistance for those students who pursue post-secondary education on a part-time basis, the 1977 Legislature should provide authorization for a part-time student grant-in-aid program with appropriations of $1 million for each year of the next biennium.

In order to provide sufficient funds to meet renewal award requirements and provide the same number of initial state scholarships as provided in 1976-77, the 1977 Legislature should make an appropriation for the State Scholarship Program in the amounts of $8,035,000 for Fiscal Year 1978 and $10,109,000 for Fiscal Year 1979.

In order to assure more equitable treatment of all scholarship applicants and to provide an appropriate level of assistance for as many eligible applicants as possible, the current limitation of one-half of need for scholarship awards should be modified so that the combination of a state scholarship and a Federal Basic Educational Opportunity Grant to which a state scholarship recipient may be entitled not exceed 75 percent of the student's need.

In order to provide for further testing of the Work-Study Program, the 1977 Legislature should appropriate $1,250,000 for each year of the next biennium.

In order to provide for better use of state work-study funds in meeting the needs of Minnesota students, the 1977 Legislature should remove the existing statutory requirement for using a specified portion of work-study funds for work off-campus and this specific requirement should be replaced with an expression of legislative intent that funds be used for off-campus employment to the extent feasible.

In order to provide for continuation of the Foreign Student Assistance Program, the 1977 Legislature should appropriate $80,000 for each year of the next biennium.

In order to provide for more effective use of funds in meeting the needs of foreign students, the allocation of funds for the Foreign Student Assistance Program should be modified to incorporate an estimate of the need by each institution and provision for allocation of funds after application of the basic allocation formula.

In order to assure that the total need for student loans is met, the 1977 Legislature should either remove the limitation on authority to issue revenue bonds for the program or modify the limitation so that the Board may have up to $150 million in bonds outstanding at any time.

In order to protect student aid applicants and their families from misuse of financial and other personal information which is supplied in applying for assistance under student aid programs, the 1977 Legislature should take action to classify all information files for financial aid as private and not available to the public.

OPTOMETRIC EDUCATION

Based on the Advisory Committee on Vision Care Education's assumption that the 1975 ratio of optometrists to population is adequate (and that there are no data to prove otherwise) Minnesota should subsidize the education of 13 optometrists per year to maintain the current level of optometric service.

The need for 13 optometrists per year to maintain the current level of optometric service is not great enough to justify establishment of a school of optometry by the state for meeting Minnesota's immediate optometric manpower needs.

The legislature should authorize the HECB to contract for 13 seats per year at existing schools of optometry at a total cost of $156,000 for the biennium, plus administrative expenses.

The HECB should enter in conversations with neighboring states during the biennium concerning the need for developing a regional school of optometry.

OSTEOPATHIC EDUCATION

Minnesota should contract with existing colleges of osteopathy for 10 spaces per year for Minnesota residents.

The state should appropriate $405,000 for the biennium to cover the cost of the contracting program; participating students should pay tuition at the same rate as a Minnesota resident attending the University of Minnesota medical school.

MHECB should be designated the administrative agency responsible for processing student applications and for developing rules and regulations for the program, and should be provided administrative expenses by the 1977 Legislature.

NURSING EDUCATION

Nursing education policies of the HECB should be designed to help meet the needs of the state for nurses by maintaining an approximate equilibrium between supply and demand for nurses in Minnesota.

Projections and policies will differentiate between baccalaureate, associate, degree/diploma and licensed practical nurses.

By 1980, the statewide ratio of graduates of programs at the different levels of nursing education should be one-third RNs with baccalaureate degrees, one-third RNs with associate degrees or diplomas, and one-third LPNs.

Graduations for baccalaureate nursing programs should be allowed to increase (subject to the criteria regarding geographic distribution and career mobility) until the statewide total of graduates of baccalaureate programs reaches a level of one-third of the total of all nursing graduates. At that time, if it is consistent with state needs, the associate degree and practical nurse programs may expand in proportion.

No new hospital-sponsored nursing programs which prepare students to become RNs should be approved. Existing programs should not increase numbers of graduating students.

In reviewing applications for new and expanding nursing education programs, preference should be given to proposals that further equitable geographic distribution of educational opportunities throughout all the health planning regions in the state.

Nursing education programs that will expand opportunities for educational mobility should be supported. The impact of such programs on the ratio of levels of academic preparation of nursing personnel, and the impact on the size of the pool of working nurses should be monitored.

In order to alleviate the critical shortage of nurses with graduate preparation, nursing education opportunities at the graduate level should be increased through the expansion of existing programs and the opening of new ones.

The numbers being graduated each year from individual nursing education programs should be consistent with statewide planning policies and should be subject to HECB review.

The Advisory Committee on Nursing Education should continue to review nursing education policies annually and make recommendations to the HECB for keeping the policies responsive to nursing education needs of the state.

PRIVATE COLLEGE CONTRACT PROGRAM

The change in the Private College Contract Program approved by the 1975 Legislature should be continued and the 1977 Legislature should provide appropriations in the amounts of $4,719,950 for Fiscal Year 1978 and $5,087,450 for Fiscal Year 1979.

REGIONAL PLANNING AND COORDINATION

The state should continue to provide coordination expenses for the three existing regional centers (Iron Range, Rochester and Wadena) and public and private institutions should be requested to continue their cooperation with these activities. To sustain planning and coordination with these activities, an appropriation of $189,071 for 1978 and $197,148 for 1979 is requested. Costs for institutional cooperation and services (including donated space) should be assumed to be part of the request of participating institutions.

Institutions participating in the regions serviced by the centers should be encouraged to continue expansion of the transferability and acceptance of credits earned from offerings under the aegis of such cooperative efforts.

MINITEX

In order that continuing service may be provided under the MINITEX program within the current mandate and level of effort, an appropriation of $450,000 for Fiscal Year 1978 and $450,000 for Fiscal Year 1979 should be provided to insure the continuation of statewide sharing of all types of libraries through the inter-library service and to maintain an updated serials data base. The budget request is based upon an estimated 160,000 requests per year at a per unit cost of $2.25.

NONCREDIT EDUCATION

Any institution or agent delivering noncredit postsecondary education in the state for which units of participation are offered should follow as a general guide the Continuing Education Unit and Guidelines as developed by the National Task Force on the Continuing Education Unit.

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INTRODUCTION

The Higher Education Coordinating Board's report to the 1977 Legislature contains a variety of recommendations to enhance post-secondary education in Minnesota. They range from proposals to improve the state's student aid programs to guidelines for measuring noncredit instruction. The report summarizes activity during the past two years under the Board's statutory duties and also presents recommendations deriving from several special studies which the Board conducted during the biennium.

A major project of the Board was its comprehensive study of post-secondary education in southwestern Minnesota. The Board agreed to conduct the study at the request of former State University System Chancellor G. Theodore Mitau. The primary reason for the study was the steady, dramatic decline in enrollment at Southwest State University. This decline has implications for post-secondary education in southwestern Minnesota generally and at Southwest State specifically.

A summary of the Board's findings and recommendations is included in Chapter I. In completing the study, the Board noted that the solution to the southwest problem has important statewide policy implications; although one region is involved primarily, major state policy questions underlie the recommendations. The problem in southwestern Minnesota may be a warning signal for future problems in other areas. For the first time in post-secondary education, the state faces the challenge of making major policy decisions in a nongrowth climate. It must attempt to deal effectively with such issues as changing enrollment patterns, excess physical capacity in some areas, rising costs and competing demands for limited financial resources.

In order to stimulate planning now and to avoid crisis decision-making in the future, the Board in conjunction with its Southwest study report adopted several recommendations on preparing for fluctuating enrollments. The recommendations are found in Chapter II.

As part of its regular planning responsibility, the Board continues to monitor the enrollment situation through its annual enrollment survey and its annual institutional enrollment projections. This information is presented in the Board's basic data series reports and is available from the Board. An overview of enrollment trends is included in Appendix A.

STUDENT AID PROGRAMS

One of the Board's major responsibilities continues to be the administration of the state's student aid programs. Since its inception, the Board has recommended policies to remove financial barriers for Minnesota residents and to increase access to post-secondary education for all. To help achieve this objective, the state during the past decade established a variety of student aid programs and increased the funding for them. These programs include the State Scholarship and Grant-in-Aid Programs, the State Student Loan Program and the State Work-Study Program. During the past year the Board reviewed the programs and adopted several recommendations to correct some deficiencies in them and to improve them in order to meet changing needs. These recommendations are included in Chapter III.

Also during the past year, the Board devoted extensive effort in developing a new plan to finance the

State Student Loan Program and assure the availability of funds for the 1976-77 school year at no cost to the state. The Board in June 1976 sold $37.2 million in advance refunding bonds to refund outstanding revenue bonds in the program. And the Board sold its existing portfolio of federally-insured loans to the Student Loan Marketing Association (Sallie Mae), a U.S. government sponsored corporation created to provide liquidity to a lender by purchasing the lender's loans.

The State Student Loan Program is self supporting. Funds for all expenses, including those for administration, are generated by the program. In a little less than three years, the program has provided more than $57 million in loans to Minnesota students. The program, approved by the 1973 Minnesota Legislature, began on April 1, 1974, following the sale of $29.4 million in revenue bonds. When funds nearly were exhausted in fall 1975, the Board — which is now authorized to sell up to $90 million in revenue bonds — attempted to sell bonds but experienced difficulty due to high interest rates offered. Finally, separate bond sales of $8 million and $10 million were negotiated. However, future funding remained uncertain because of the high interest rates, and a new plan had to be developed to assure sufficient funds at no cost to the state. Proceeds of the sale to Sallie Mae are providing up to $35 million to meet the loan demand for 1976-77. In December 1976 Sallie Mae purchased an additional $9.98 million in student loans from the Board.

In October 1976, Congress passed and President Ford signed the Educational Amendments of 1976. The legislation includes several provisions affecting the State Student Loan Program, which is tailored to meet the requirements of the Federally Insured Student Loan Program. Among the provisions is one which eliminates the 100 percent insurance previously available for loans made under programs like the Minnesota program. The new federal legislation substitutes an 80 percent minimum federal guarantee with an additional percentage of federal guarantee depending on default experience with individual programs. The new law will leave Minnesota without a full guarantee as of 90 days after the 1977 legislative session.

Federal insurance is the method which the state has used to make its student loan revenue bonds attractive in the market. Since borrowers pay all the loan costs, the loss of full federal guarantee means a higher cost to borrowers and also creates virtual certainty that investors will not buy the bonds unless a substitute guarantee is provided.

At the request of former Governor Wendell Anderson, a nonprofit organization is being established to guarantee loans for Minnesota. Purpose of the organization is to meet requirements of the law and assure that state residents will have access to loans. The designation of a nonprofit corporation will provide the 100 percent guarantee necessary to make the revenue bonds salable. The nonprofit agency will obtain the 80 percent reinsurance available from the federal government.

BUDGET REVIEW AND PROGRAM REVIEW

The next two chapters report the Board's work in carrying out two of its main statutory responsibilities — budget review and program review.

Chapter IV presents the actual and requested budget expenditures for all public Minnesota post-secondary education systems in a consolidated budget. The budget was prepared from the 1977-79 legislative appropriation request submitted by each system. The request is presented programmatically in accordance with the compatible format requested by the 1975 Legislature. It allows general comparisons to be made between systems on sources of revenue, spending patterns and state appropriations. The chapter includes broad findings about the total state investment for public post-secondary education and also contains projected expenditures for all public post-secondary education in current and constant dollars through 1995. Budget summaries for individual systems are presented in Appendix C.

The budgetary information is intended to assist the governor and legislature as they make decisions on the state investment for post-secondary education and consider issues such as tuition and salaries. A separate data report now being prepared by the Board will provide more detailed information on these and other financial planning issues. It also will include historical and projected enrollment data.

Chapter V provides a report on coordination of new instructional programs. During the past biennium under the program review process, the Board formulated several educational policies, developed a Uniform Proposal Format for more precise reporting of program and resource information and created advisory structures for health, early childhood, osteopathic, nursing and vision care education.

A large part of the chapter reports the Board's recommendations in three health areas — optometric education, osteopathic education and nursing education. Recommendations for optometric and osteopathic education were developed by the Board in response to legislation calling for a study of these areas. In 1973 the Board adopted policies on nursing education, and it has reviewed them annually. The 1976 policies were developed in cooperation with an Advisory Committee on Nursing Education. Separate planning reports on nursing education, vision care education and osteopathic education are available from the Board. Chapter V concludes with a summary on the status of coordination of agriculture education.

PRIVATE POST-SECONDARY EDUCATION

The Board's recommendation for the Private College Contract Program is contained in Chapter VI. In the chapter the Board reiterates its view that the private college sector in Minnesota is a valuable resource and that the continued viability of the private colleges is vital in order to best serve the needs of Minnesota residents.

During the biennium the Board devoted many hours in preparing to implement the Private Institutions Registration Act. This program was passed by the 1975 Legislature "to provide assistance and protection for persons choosing private institutions and programs, by establishing policies and procedures to assure the authenticity and legitimacy of private post-secondary education institutions and programs."

The Board held two sets of hearings on proposed rules for the implementation of the program during the past year and held a series of staff consultations with interested parties concerning the proposed rules. The hearings were held in accordance with the Administrative Procedures Act. A comprehensive report by the hearing examiner was released in fall 1976, and it includes several items which require careful analysis.

The 1976 Legislature included a rider in its supplemental appropriations bill stating that "the HECB shall not prior to March 1, 1977 enforce any provisions of Sections 136A.61 to 136A.71 or any rules or regulations promulgated thereunder." These provisions pertain to the Private Institutions Registration Act.

The Board staff and its attorneys are now assessing remaining procedural requirements which must be met in the rulemaking process. The Board staff also is conducting another series of discussions with concerned parties based on the hearing examiner's report. The Board is preparing a separate report on the proposed rules and suggestions regarding the possible need to amend the current statute to clarify agency and legislative intent.

Passage of the act in 1975 and development of rules and regulations in Minnesota reflect a concern which is widespread in state governments around the country. Although reported abuses and irregularities in some states may be greater in number or impact than those identifiable in Minnesota, the Board still strongly believes in the merits of the program. While Minnesota's record may be relatively good, this should not be recognized as a valid argument for inaction in this state until a large number of citizens and institutions have been unnecessarily injured. Such an approach would not only constitute poor policy and planning, but might also provide an invitation for new marginal activities only minimally concerned with offering educational service. This approach also would offer no means of dealing effectively with the growing number of questions and complaints received by the Board regarding private post-secondary offerings and activities.

More than 30 states now have licensing, chartering, or registration laws with additional enactments anticipated. The trend is toward the assertion of state authority to offer protection for citizens of those states and the legitimate institutions serving those states. The effect on those states without reasonable protection is to identify them as fertile territory for all forms of illegitimate educational activity and a sanctuary from which such activity may be launched for other parts of the nation. Such a situation is unhealthy within a state but is also an irritation for otherwise healthy interstate relations.

In addition to these factors, there are two other trends which seem to be sound bases for protective legislation and detailed rules. The first is the growing support of private post-secondary education through student financial aid and other more direct forms of institutional assistance. Minnesota is recognized as a leader in this area of private support with contributions through state scholarships and grants-in-aid, the private college contracts, MINITEX, student loans, facilities authority loans, state work-study and foreign student subsidy. A conservative estimate of the value of the combination of these programs in the private sector in Minnesota exceeds $25 million for this fiscal year and will be increased in subsequent fiscal years with students in the private vocational sector now eligible for scholarships and grants-in-aid. There is also a substantial indirect public subsidy made available to most private institutions as a result of existing tax exemptions. In view of these demonstrated commitments, it is reasonable for the state to take adequate steps to protect students interested in private post-secondary education and to promote the existence of a healthy and legitimate private sector.

The second trend is that of demographic changes which strongly suggest increased competition for post-secondary students within the predictable future. As these changes occur, the need for established standards for institutional conduct will be exaggerated and without an existing process with experienced personnel, the chances of sound, reliable decisions relating to purported abuses will be minimized.

RECIPROCITY, REGIONAL PLANNING

Authorization to enter into reciprocity agreements with neighboring states was one of the first responsibilities assigned to the Higher Education Coordinating Board by the legislature. This came as a result of the legislature's recognition that opportunities for post-secondary education can extend beyond state boundaries. Minnesota now has reciprocal tuition agreements with Wisconsin and North Dakota and is working to develop agreements with South Dakota and Iowa. Chapter VII reports on the status of these efforts.

In 1973 the legislature authorized the Board to establish three regional centers to improve the delivery of post-secondary education in specific geographic regions through the cooperation of institutions in the areas. The centers were established in Rochester, Wadena and the Iron Range, and they have greatly enhanced post-secondary education opportunities for residents in those regions. Chapter VIII summarizes the activity at the centers and contains the Board's recommendations to sustain regional planning and coordination activities.

Chapter IX includes the Board's recommendation for the continuation of service provided under the Minnesota Inter-library Telecommunication Exchange Program (MINITEX) for the next two years within the current mandate and level of effort. The program is considered one of the most effective inter-library networks in the country and is often cited as a model for state and national development.

In its report to the 1975 Legislature, the Board made 10 recommendations to improve transfer among Minnesota post-secondary education institutions. The Board asked the Higher Education Advisory Council to report on the progress in implementing the recommendations. The advisory council convened a task force on transfer and the task force surveyed the institutions regarding their response and adherence to the 10 recommendations. The task force report is included in Chapter X.

The Board in 1975 recognized the important role of noncredit continuing education and noted some of the problems that exist when noncredit continuing education is not recognized formally or when the recognition differs among post-secondary institutions and other organizations. In order to improve the situation, the Board recommended the implementation of a process for a statewide system of accounting for noncredit education.

In fall 1976, after several months of staff work and review by an advisory committee on community service and continuing education, the Board recommended the approach taken by a national task force as a general guide for recognizing and measuring noncredit instruction in Minnesota. It recommended the use of the Continuing Education Unit and guidelines of the National Task Force on the Continuing Education Unit. The Board's recommendation and its implications are summarized in Chapter XI.

The 1976 Legislature directed the Board to sponsor a meeting of representatives from the state's post-secondary education boards to discuss issues of mutual concern. Chapter XII includes a report of the meeting which was held in November 1976.

The appendices to this report includes data related to the programs which the Board administers, data supporting the recommendations and a list of persons who served on advisory committees during the biennium.

CHAPTER I: SOUTHWEST STUDY

At the request of G. Theodore Mitau, former chancellor of the State University System, the Higher Education Coordinating Board conducted a comprehensive study of the current situation and future alternatives for Southwest State University (SSU) and post-secondary education in southwestern Minnesota. The request was made on November 4, 1975, in conjunction with the resignation announcement of Southwest State University President Jay Jones who joined in calling for the study.

Southwest State University at Marshall, created by the 1963 Legislature, first enrolled students in the fall of 1967. The institution experienced continuous enrollment increases until 1970 when a fall enrollment of 3,051 full-time equivalent students was reached. Since then Southwest State University enrollment has declined steadily.

The State University Board budget request submitted to the 1975 Legislature asked that SSU be granted "a minimum staffing plan of 141 positions" which provided a larger state appropriation for SSU than would have been provided under usual budgeting policies. Furthermore, the chancellor stated to the governor and legislature that he would support a study of post-secondary education in southwestern Minnesota if enrollment should fall below 1600. Full-time equivalent on-campus enrollment in 1975-76 at SSU was 1506.

Purpose of the study was (1) to identify and describe the possible future post-secondary education alternatives for southwestern Minnesota, (2) to analyze the implications of various alternatives with particular attention to the future role of SSU and (3) to form policy recommendations regarding post-secondary education in the region and at SSU.

Final recommendations were made by the Coordinating Board members who managed the study, determined the design, approved the study content and judged the analysis. Completion of the study also was aided by the active participation, cooperation and advice from many other persons interested in SSU and post-secondary education in the region. The HECB staff conducted the research under the general direction of the executive director.

Three advisory committees assisted in the study. One consisted of representatives of the 19 counties; a second consisted of representatives of the institutions in the region plus Mankato State and the University of Minnesota, Morris. The third advisory group consisted of members of the Higher Education Advisory Council — president of the University of Minnesota, chancellor of the State Community College System, chancellor of the State University System, commissioner of Education and the executive director of the Private College Council. Additional advice was obtained from four consultants from outside the state. The three advisory committees and consultant panel provided advice on all phases of the study including the study design, analysis and implications, criteria and alternatives.

After studying the region's current and projected demographic and educational conditions, and examining a wide range of alternatives, the Board formed its recommendations. Copies of the report are available from the Coordinating Board.

Following is an overview of the enrollment problem and its implications, major findings of the year-long study and the recommendations.

OVERVIEW

Minnesota has made a commitment to providing post-secondary educational services to all its citizens regardless of their geographical location or economic circumstances. As a result, the state has constructed institutions in both metropolitan and rural areas. The establishment of this extensive system of quality educational services did not occur without reason. The citizens of the state, acting through the legislative and executive branches of government, purposefully sought to achieve this goal.

As Minnesota expanded its system of institutions during the 1960s, in response to actual and anticipated enrollment growth and the demand for greater access to post-secondary education, it may have exceeded the minimum need for physical plant in the future. For many reasons, which included a faulty assessment of demographic changes in the school-age population, irresistible political support for local and regional institutions, and a lack of central state planning and coordination, Minnesota is now confronted in some areas of the state with underused educational institutions. The situation will be exacerbated in the future as enrollments decline statewide. The effects of enrollment declines are now being confronted by local school districts. As the present elementary and secondary school-age population moves into post-secondary education in the 1980s, a similar problem will have to be confronted by governing boards and the legislature. It will require many difficult decisions.

In this respect, the difficulties facing Southwest State University may be a prelude to similar future developments in other post-secondary education institutions. In other respects, the severe difficulties of Southwest State are unique. They reflect many factors, including unprecedented enrollment declines, faculty retrenchment, internal disputes, a lack of administrative continuity and wide publicity about its problems. The current environment, however, is not receptive to decisive changes on behalf of Southwest for several reasons. Other institutions in the region are experiencing stable enrollments while some growth is projected for the area vocational-technical institutes. The 19-county region has had peak high school graduate enrollments and is now in a period of decline before the rest of the state. Some collegiate institutions are having temporary enrollment increases that can be handled without the need to divert large numbers of students to other campuses. Programmatically, few options exist for Southwest because the state public and private systems of post-secondary education already offer a full array of programs, which are augmented by reciprocity with Wisconsin and North Dakota and the possibility of a similar agreement with South Dakota. Locating new programs at Southwest would not result in much new enrollment and may be resisted, rightfully, by institutions that already have similar programs and fear their erosion by duplicated services elsewhere that are not needed.

FINDINGS

1. Between 1959 and 1974 annual live births in the 19-county region declined from 8,462 to 4,774, or 44 percent.
2. The number of high school graduates in the 19-county region has peaked and will decline 50 percent by 1990 to approximately 3,434.
3. In the aggregate, enrollments in post-secondary education in the 19-county region are projected to decline over 25 percent by 1993.
4. Recent high school graduates enrolling at the University of Minnesota, the state universities and the community colleges come from families of similar income categories.
5. The community colleges and state universities in Minnesota will serve students with similar academic aptitudes.
6. While there is considerable overlap in the characteristics of students enrolling in collegiate institutions in the 19-county region, the University of Minnesota, Morris enrolls a greater percentage of students with high academic aptitude scores.
7. In 1975, Southwest State University enrolled only 1 in 4 high school graduates from the 19-county region who enrolled in the State University System.
8. Of the high income students in the 19-county region who enrolled in post-secondary education, 3 out of 4 enrolled in institutions outside of southwestern Minnesota. Of the lower income students from the 19-county region, 50 percent of those enrolling in post-secondary education selected schools outside of the region.
9. Students with the highest academic aptitudes tend to enroll in the University of Minnesota or private colleges. Students with low Minnesota Scholastic Aptitude Test scores tend to enroll at area vocational-technical institutes or not to enroll at all. Students with average academic aptitudes tend to enroll at state universities and community colleges which account for the extensive overlap among the collegiate systems.
10. Under no foreseeable circumstances will enrollments at Southwest, with its present mission, surpass 2,000 unless a number of other similar institutions serving the region are closed or consolidated. As a result,
    a) The cost per student for instruction and support services at Southwest will be higher than at other state universities.
    b) The physical facilities at Southwest will not be fully utilized and
    c) There will be space available at Southwest for use by other post-secondary institutions or state agencies.
11. The peak enrollment capacity of Southwest as it is presently configured is 5,200 students. The institution is simply too large and will not be fully used unless a large scale regional consolidation of institutions in southwestern Minnesota occurs or a comprehensive program like the University of Minnesota's College of Agriculture is moved to Marshall.
12. The amount of physical space in collegiate institutions in the aggregate, in the 19-county region, now exceeds current need. As enrollments decline, this situation will be further heightened.

13. Retention of enrolled students at Southwest State University is substantially lower than at other state universities and the University of Minnesota, Morris.

14. There is general agreement among students enrolled at Southwest, faculty, staff, administrators and the members of the citizens' advisory group as to the perception of the current situation at the university. All groups feel that the university emphasizes educational outcomes such as academic development and individual personal development to the proper extent, but feel that insufficient emphasis is being placed on goals related to internal procedural factors which result in a feeling of community at the institution.

15. The establishment of tuition reciprocity with South Dakota will make available to residents of southwestern Minnesota many graduate, professional and vocational programs not now available in the region.

16. It cannot be demonstrated that additional programs can be located at Southwest in order to bring enrollments to the capacity of the physical plant.

17. Under any of the alternatives, post-secondary institutions in southwestern Minnesota will experience enrollment declines in the future. But the implication of the decline for any individual institution will vary depending on the alternative.

18. Maintaining the status quo at Southwest is one of the least attractive alternatives.

19. Consolidation alternatives, with the exception of one, result in the greatest cost savings, facilities use and cost-effectiveness.

20. Closing institutions results in some access denial to persons living in or near those communities.

21. Consolidation results in loss of geographical proximity to institutions.

22. The adoption of statewide policies such as tuition subsidies without other modifications will have small enrollment effects on SSU.

23. The greatest opportunity for cost savings results from closing or consolidating institutions.

24. Retrenchment of SSU to the State University System average cost for direct instruction results in major savings.

RECOMMENDATIONS

Through the course of this study, the Board has had the benefit of advice and recommendations from a variety of individuals and groups who view the post-secondary education situation in southwestern Minnesota from a variety of perspectives. That many perceptions of the existing situation and many proposals for change have been advanced is symptomatic of the complexity of the situation. None of the proposals for change is fully satisfactory in terms of both acceptability and feasibility. Proposals which are attractive to those seeking a significant increase in enrollments at Southwest State University are costly or would create unwarranted duplication of the efforts of other institutions or would have negative effects on other institutions of post-secondary education. Those alternatives which would reduce capacity at SSU or elsewhere in southwestern Minnesota tend not to be acceptable to those who seek to maintain existing program offerings in their present locations. The magic solution which would increase enrollments at SSU without creating undesirable duplication, without negatively affecting other aspects of the state's post-secondary education program and without requiring significant new investments simply has not been identified and probably does not exist. Accordingly, recommendations of the Board must be based on a search for the best, but not perfect, alternative.

Two important lessons for the state should be learned from the Southwest State University experience. The first is that decisions on post-secondary education should be based on adequate planning which recognizes the realities of careful projections for the future. SSU has been described as "a new institution built in the wrong place at the wrong time struggling to establish its identity and mission in the beginning of declining enrollments and population in an area of the state where this decline is the greatest." Whether or not this description is an overstatement, it is apparent that the 19-county region, which has been described as the service area of SSU, does not presently have, or will in the foreseeable future have, sufficient population to justify an institution of the scope which has been envisioned for SSU together with the other institutions which serve the region. The second lesson is that effective governance and administration are essential to the success of an institution of post-secondary education. The following recommendations, concerning the future of Southwest State University and post-secondary education in southwestern Minnesota, are suggested by the Higher Education Coordinating Board.

I. The state must work toward public policy which effectively addresses projected post-secondary education enrollment declines in southwestern Minnesota and elsewhere in the state. The need for additional adjustments in other components of post-secondary education in the state is likely. Preparation for additional possible adjustments should be initiated now in order to avoid crisis decision-making and unanticipated retrenchment. Planning for adjustments to anticipate a changing enrollment situation will require careful monitoring of future developments and full cooperation of institutions, systems and elected officials in seeking the most appropriate means for accommodating anticipated enrollment declines. The Board will provide leadership and initiate additional actions to stimulate formulation of viable plans. To be successful, this must be a cooperative effort involving the support and participation of the appropriate parties.

II. No action should be taken to close or consolidate institutions of post-secondary education. The evidence clearly indicates that every institution of post-secondary education contributes significantly to the quality of life in the area in which it is located. In addition, the proximity of educational opportunities for residents of an area is a benefit which should not be discarded. The Board has studied a variety of alternatives for closing and consolidating institutions in southwestern Minnesota. Thorough analysis of the potential gains and losses

of closing institutions did not provide adequate justification for closing or consolidating any institutions in southwestern Minnesota at the present time.

III. The mission and conception of SSU should be modified to make the institution more consistent with present and projected needs in terms of both size and nature of the institution. This recommendation is based on the conclusion that SSU can have a viable future if appropriate conditions prevail. It recognizes that SSU has made and is making important contributions to the region and the state. It has enhanced the quality of life and serves as a major cultural resource for the region. It serves as a center for the arts and intellectual activities; it has stimulated improved attention to needs and problems of the region through community service; it has improved access to quality education for residents of the area, and it has provided an effective means for meeting special needs such as those of handicapped students. However, the previous expectation for a comprehensive institution with an enrollment of 4,000 students is not realistic and should be abandoned.

In order to make the mission of the institution consistent with the current and future needs, Southwest State University should be continued as a regional university with academic baccalaureate and vocational-technical degree programs designed to meet regional needs. This does not imply that any change in mission will create an unusual increase in enrollment.

The Board has considered the alternative of developing a technical university at Marshall and discarded it at this time for several reasons. Developing a technical university would require a substantial investment. Since many of the programs which might be offered by such an institution are already offered by other institutions in the state, the desirability of duplicating existing efforts at a time when declining enrollments appear to be inevitable is questionable. Furthermore, unless programs are terminated in other institutions the ability of a technical university located at Marshall to compete effectively for students on a statewide basis is uncertain. Accordingly, pursuing the alternative of a technical university to meet statewide needs must be viewed as a venture which could produce desirable results but for which the investment would be substantial and success is not assured.

Continuing SSU as a smaller institution designed to meet regional needs would make no unique contribution to the total program of post-secondary education in the state, but it assures appropriate attention to needs of the region and requires no additional investment. Implementation of this recommendation will require that the State University Board formulate programmatic configurations appropriate to a revised mission in time for consideration by the 1977 Legislature.

In formulating these configurations, the Board urges the State University Board to continue emphasis on meeting the needs of handicapped students and to consider opportunities for building on this service through training programs to prepare personnel for work with handicapped persons. Particular attention also should be devoted to degree programs in agriculture and technical fields, and the Board urges the establishment of a citizens' advisory committee, such as those that AVTIs already use, for those agriculture and technical programs considered. The committee should be charged with responsibility of studying the availability of students for courses, job opportunities for graduates and cost of the program. All systems of higher education should be consulted and be part of the planning for prospective programs. This study is concluded with conflicting views on the desirability of additional emphasis on the field of agriculture at Southwest State University. On the one hand, the Citizens' Advisory Committee makes a strong plea for additional agricultural programs. On the other hand, both the Institutional Advisory Committee and the Higher Education Advisory Committee have advised the Board that evidence of the need for additional programs in agriculture in southwestern Minnesota has not been identified.

IV. Implementation of the revised mission for Southwest State University should begin immediately after legislative action during the 1977 session.

V. Since an institution of the size and type proposed will not require utilization of all of the physical facilities available on the campus at SSU, the State University Board should continue to identify portions of the physical facilities which can be allocated for use by other agencies and activities. While determination of specific space needs and access cannot be accomplished until after a programmatic configuration is developed, it is apparent that physical space is excessive and that all appropriate means should be pursued to assure that the entire physical plant is utilized as fully as feasible in a way compatible with the needs of the institution. The State University Board might lease some of the space for compatible activities or it might turn some portions of the physical plant over to the Department of Administration for use by appropriate state, regional or local governmental agencies. The State Department of Health and the Transportation Department already are occupying space on the campus at Southwest State University.

VI. In order to assist in making post-secondary education in southwestern Minnesota responsive to regional needs and to facilitate interinstitutional cooperation and planning in responding to changing conditions, the Board recommends that the cooperation of institutions serving the region should be continued and improved. Attention should be given to areas within the region, such as the Fairmont area, which may suffer from inadequate accessibility to post-secondary education opportunities.

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ADDENDUM

While internal operations of an institution are beyond the purview of a coordinating board and were not the focus of the Board's study, some attention must be devoted to conditions necessary for the success of SSU. To this end, it should be noted that the success of SSU depends on the following conditions:

A. Sustained continuous leadership of SSU must be achieved and combined with a clearly stated mission and timely effective evaluation of institutional performance.

B. The State University Board must provide clear support for the administration of the university and hold it strictly accountable for the achievement of its goals.

C. Southwest State University, regardless of its mission, should have a strong commitment to regional service. It must be recognized nevertheless that the university serves the entire state as an institution of higher learning. Regional and community expectations should be circumscribed by that fact.

D. Legislative intent with respect to post-secondary institutions having enrollment fluctuations now and in the future must be clear, so that staffing and program changes can be effectively made to meet demographic fluctuations and changing student interests.

E. All components of the institution including administration, faculty, students, members of the community in which the institution is located, must work cooperatively and responsibly toward a shared goal of maintaining a viable and productive institution.

F. In order to facilitate continuing effective relationships between the institution and the larger community which it serves, the Board recommends that the institution establish and utilize a citizens' advisory committee which can monitor the progress of the institution in meeting regional needs, advise the institution of problems which relate to the institution as part of a larger community and assist in improving general citizen and community understanding of the institution, its problems, activities and contributions.

CHAPTER II: FLUCTUATING ENROLLMENTS

The most serious planning and policy issue now facing Minnesota post-secondary education is how to accommodate projected enrollment fluctuations. This issue is complicated by three factors: (1) while the total number of persons graduated from Minnesota high schools will decline after 1978, the decline has begun in some parts of the state, (2) the magnitude of the decline will vary significantly from one part of the state to another, and, (3) the number of citizens beyond the traditional post-secondary education age of 18 to 25 will increase while the total number of high school graduates is decreasing.

Total full-time equivalent enrollments are projected to decline from 1982 to 1995 when they will approximate enrollments in 1970. The decline will affect institutions differentially, however, according to their location and mission. Some institutions will experience declines much earlier than others. The severity of decline generally will be greatest for those institutions which experience declines earliest. For others, the decline will begin later and will be less severe. Some institutions will be faced with the need to accommodate a temporary enrollment bulge during the next few years before enrollments decline. (Changes in rates of participation in post-secondary education among persons over 25 years of age due to increased emphasis on education of older adults cannot be predicted with confidence). Figure 1 shows actual and projected enrollments at all public systems from 1969-1995. An overview of enrollment trends is contained in Appendix A.

Responsible action to accommodate changing post-secondary education enrollment patterns requires that policies and plans be initiated immediately in order to avoid crisis decision-making and institutional turmoil caused by unanticipated retrenchment. Since the future cannot be predicted with precision, these new policies will have to emerge during the next several years; but this should not deter implementation of appropriate policies now.

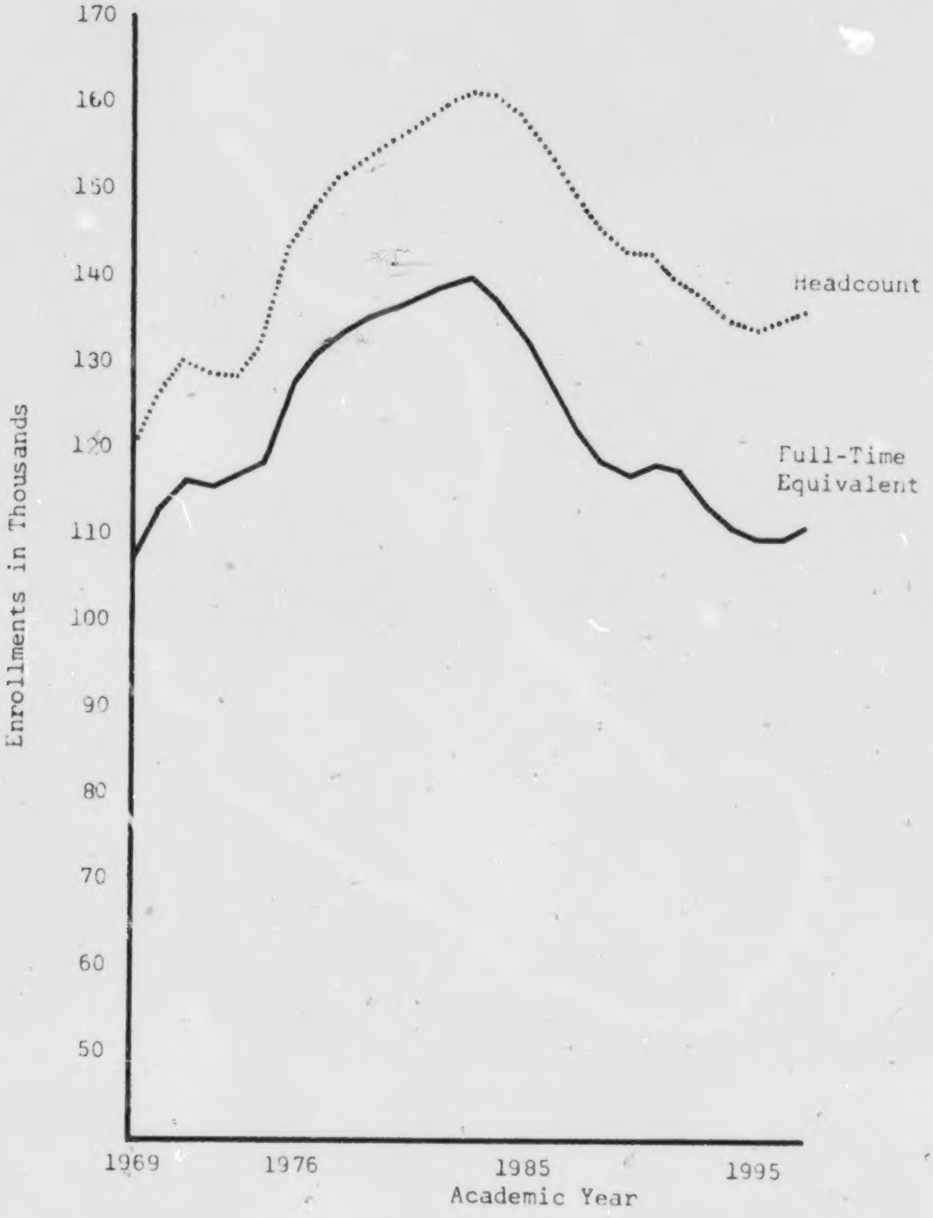
The basic goal of policies on fluctuating enrollments should be to accommodate changes while preserving the quality of programs and maintaining, to the extent possible, institutional efficiency. Sound enrollment related policy should recognize that:

(1) Precipitous closing of institutions and/or programs should be avoided if possible. Careful review of the contributions of individual institutions has led the Board to conclude that every institution of post-secondary education has positive effects on the area which it serves. Proximity to educational opportunities for residents of the state is a benefit which should not be discarded casually. The investments which have been made to build institutions yielded assets not easily replaced. This does not suggest that no program should be discontinued or even that no institution should ever be closed. It does suggest that such action should be taken after a careful assessment of future developments and a clear determination that a program or institution is not necessary or viable.

(2) Every reasonable effort should be made to use existing post-secondary education capacity through meeting legitimate education needs of a larger proportion of the population. Meeting

FIGURE 1

ACTUAL AND PROJECTED ENROLLMENTS
ALL PUBLIC SYSTEMS



real educational needs of a larger percentage of the college-age population and expanding the capacity for serving the adult population will be a greater benefit to Minnesota residents than closing underused institutions.

(3) Whenever feasible, responsibility for adjusting program and resource requirements should be placed on the governing board of the individual institution. This is not intended to suggest that state policymakers should be relieved of responsibility or that individual institutions can make adequate adjustments without appropriate support and guidance from state policymakers. This does imply, however, that providing maximum opportunity for institutional management holds greatest promise for maintaining the integrity and vitality of institutions.

(4) State funding policy in a period of fluctuating enrollments should be clarified now, and institutions should be responsible for effectively allocating resources to accommodate changing enrollment patterns and student interests.

The recommendations presented below are designed to assure responsible action in preparing for changing enrollments. They assume that the HECB will continue to monitor the status of post-secondary education and will propose relevant new policies as they are necessary.

> **In recognition of problems associated with accommodating a temporary enrollment bulge, the Board recommends that appropriations made by the 1977 Legislature for institutions of post-secondary education for which an enrollment increase is anticipated should consist of two identifiable components: the basic appropriation reflecting current enrollments and a supplemental appropriation to accommodate any temporary enrollment bulges.**

The purpose of this proposed policy is to stimulate mutual understanding between the legislature and institutions of post-secondary education with respect to funding during the period of an enrollment bulge. It recognizes the need to provide adequate support to maintain quality of service during the temporary period of increasing enrollments without raising false expectations for appropriations after the enrollment bulge. Institutions should view the supplemental component of the appropriation as temporary funding which would be discontinued when enrollments decline.

> **In order to avoid any additional excess in physical plants, the Board recommends that any construction to increase capacity of institutions should be approved only after thorough justification which fully recognizes projected enrollment declines and the availability of underused facilities at other institutions.**

This recommendation should not be interpreted to mean that all physical plant improvement should be terminated. Some improvements are necessary to maintain facilities of appropriate quality. The recommendation is intended to preclude construction of physical facilities in order to expand capacity except in rare instances which can be justified because of special circumstances.

> **In order to stimulate appropriate planning at all levels, the Board recommends that each Minnesota institution of post-secondary education submit a comprehensive report developed by its governing board on plans and preparations for adjustments in programs, staffing, funding requirements and facilities for accommodating changing enrollments through the decade of the 1980s to the HECB for review and comment by September 1, 1977.**

The purpose of this recommendation is two-fold. First, it is intended to assure that each institution focuses appropriate attention on preparing for the changing enrollment situation. Second, it will provide a basis for assessing the aggregate response of all institutions to enrollment projections and will permit the Coordinating Board to assess the need for additional state policy action.

CHAPTER III: STUDENT FINANCIAL AIDS

One of the most notable accomplishments of the state in recent years has been an increasing effort to assure that every Minnesota resident has (1) *genuine* access to post-secondary education and (2) realistic opportunity to choose from among a variety of institutions and programs. This effort is based on recognition of the importance of developing all Minnesota's human resources and the belief that individual opportunity to pursue an appropriate program in an institution of the student's choice should not depend on the financial circumstances of the student's family.

Accomplishing the goals of providing genuine access and realistic opportunity to choose a program and institution consistent with individual needs and interests requires elimination of the financial barriers which deter those without ample family resources. The substantial progress toward fulfillment of these goals is reflected in action by the 1975 Legislature which appropriated approximately $30,000,000 for state student aid programs and increased the Board's authorization for revenue bonds to provide student loans to $90,000,000. In contrast, the first appropriation for state student aid in 1967 was $60,000.

While progress made during the last decade is commendable by any criterion, the goals have not been fully achieved. Some 3,000 qualified applicants for state scholarships and grants-in-aid who demonstrated need for financial assistance had to be denied an award for the 1976-77 school year due to insufficient funds. Moreover, some student populations, particularly advanced students who did not receive a state scholarship or grant at the time of entrance and part-time students, were not even eligible to apply for an award. The present bonding authority for student loans nearly is exhausted and funds for both the Work-Study and Foreign Student Assistance Programs are not being used effectively due to existing program requirements.

Members of the Board believe that fulfilling the goals of genuine access and realistic choice among institutions and programs for all residents is of sufficient importance to demand priority attention. Recommendations for correcting deficiencies in the state's student aid effort follow.

STATE GRANT-IN-AID PROGRAM

In many ways, the State Grant-in-Aid Program is the base for Minnesota's comprehensive student financial aid effort. Recipients are selected solely on the basis of financial need. Awards to attend any eligible public or private post-secondary education institution in Minnesota are made in the amount of one-half of the student's demonstrated need not to exceed $1,100. These grants may be renewed for three additional years of study provided that the student continues in an eligible institution and continues to have financial need. The amount of the grant for each year varies with the amount of the student's demonstrated need.

Four deficiencies in the State Grant-in-Aid Program remain. First, the amount of funds available is not sufficient to provide awards to all renewal and initial applicants who demonstrate need. Second, while some students have to be denied a grant due to lack of funds, other students have the full amount of their need met through a combination of a state grant-in-aid and a Federal Basic Educational Opportunity Grant. Third, students who did not receive an award at the time of entrance to post-secondary education are not eligible to compete for grants in subsequent years. Fourth, part-time students are denied access to grants.

The recommendations below are designed to correct these deficiencies.

In order to provide funding more nearly adequate to provide awards to all eligible applicants who demonstrate need, the Board recommends that the 1977 Legislature appropriate $19,102,900 for Fiscal

Year 1978 and $25,532,300 for Fiscal Year 1979 to be awarded under the State Grant-in-Aid Program.

The requested amounts are based on a projection of the amount necessary to provide renewal awards and to provide initial awards for the total number of applicants who applied and demonstrated need for the 1976-77 year. As indicated above, some 3,000 eligible applicants had to be denied an award this year due to insufficient funds. The amounts necessary simply to meet renewal award requirements and to provide the same number of initial awards as provided this year are $16,402,100 for Fiscal Year 1978 and $20,575,000 for Fiscal Year 1979. Members of the Board believe that the larger amount requested is consistent with state policy and goals and is clearly justified on the basis of the current year's experience.

In order to provide for more equitable treatment of students who demonstrate need, the Board recommends that the existing limitation on the amount of awards of one-half of need be modified so that the combination of a state grant-in-aid and a Basic Educational Opportunity Grant will not meet more than 75 percent of the student's need.

Emergence of the Basic Educational Opportunity Grant as a federal aid program making grants available to every student meeting the need requirement creates the need for modification in state policy. The modification is intended to (1) stimulate all eligible students to take advantage of the grant fund to which they are entitled under the Basic Educational Opportunity Grant Program and (2) provide for a more equitable distribution of grants among the total student population with need. The members of the Board believe that meeting the total need of some students through grants while meeting none of the need of other students through grants is undesirable state policy. The members also believe that with an appropriate level of grant assistance every student can meet part of his or her needs through loans, work-study or other institutional student aid programs. The proposed modification will permit a reasonable portion of the need of a larger number of students to be met through grant assistance while expecting all students to meet part of their need through means other than grants; and it will stimulate all students to take advantage of the federal grants to which they are entitled.

In order to permit grants to be awarded to all students with the greatest need in any year, the Board recommends that those students who do not receive a state grant-in-aid at the time of entrance to post-secondary education be made eligible to compete for grant-in-aid awards on an equal basis with students entering for the first time.

The Board is fully aware that adoption of this recommendation will once again increase the gap between available funds and needs of eligible applicants. However, the current practice of denying eligibility for the entry period of post-secondary education to any student who did not receive a grant at the time of entrance is so clearly inequitable that the change in policy is clearly justified. Adoption of the recommendation that the combination of a state grant-in-aid and the entitlement of the BEOG Program should not exceed 75 percent of the student's need will make available some funds to reduce the gap between funding and needs. It is estimated that the amount to be freed up from the amount of the total appropriation required for the next biennium will be $8,000,000.

In order to provide appropriate financial assistance for those students who pursue post-secondary education on a part-time basis, the Board recommends that the 1977 Legislature provide authorization for a part-time student grant-in-aid program with appropriations of $1,000,000 for each year of next biennium.

Since the needs and characteristics of part-time students differ significantly from those of full-time students, the Board believes that meeting the needs of the increasingly significant population of part-time students will require a program specifically designed for this population. Accordingly, the Board opposes simply making part-time students eligible for the existing State Grant-in-Aid Program. The Board will provide a draft of the bill containing the essential requirements for a part-time student grant-in-aid program for consideration by the 1977 Legislature.

STATE SCHOLARSHIP PROGRAM

The State Scholarship Program provides the mechanism to assure that the most academically talented of Minnesota residents are not denied post-secondary education because of financial barriers. Continuation of this program with adequate funding is essential to the goal of developing Minnesota's human talents fully. Scholarships are awarded to those students who have demonstrated superior academic performance in high school. The amount of each award is based on the need of the individual applicant, and those scholarship recipients who do not demonstrate sufficient financial need receive a non-monetary or honorary award. With adequate funding for the State Grant-in-Aid Program as recommended above, the Board believes that the number of initial scholarships awarded for 1976-77 represents a reasonable level of effort for next biennium.

The program needs modification to take into account availability of the Federal Basic Educational Opportunity Program in the same manner as the change proposed for the State Grant-in-Aid Program.

In order to provide sufficient funds to meet renewal award requirements and provide the same number of initial state scholarships as provided in 1976-77, the Board recommends that the 1977 Legislature make an appropriation for the State Scholarship Program in the amounts of $8,034,000 for Fiscal Year 1978 and $10,109,000 for Fiscal Year 1979.

The recommended appropriations are based on a projection of the amount necessary to make renewal awards and to provide the same number of initial awards provided for 1976-77 during each year of the next biennium. No change in the level of effort is proposed.

In order to assure more equitable treatment of all scholarship applicants and to provide an appropriate level of assistance for as many eligible applicants as possible, the Board recommends that the current limitation of one-half of need for scholarship awards be modified so that the combination of a state scholarship and a Federal Basic Educational Opportunity Grant to which a state scholarship recipient may be entitled not exceed 75 percent of the student's need.

The rationale for this modification and policy is the same as the rationale for the comparative recommendation to modify the State Grant-in-Aid Program as stated above.

STATE WORK-STUDY PROGRAM

The State Work-Study Program was authorized by the 1975 Legislature primarily to provide a source of assistance for those students who do not receive grant assistance and to partially fill the gap between grant amounts and need of those students who receive grants. The concept of the program appears to be viable, but since work-study funds were not fully used during the 1975-76 year, the program needs to be further tested with a modification in program requirements during next biennium.

> **In order to provide for further testing of the Work-Study Program, the Board recommends that the 1977 Legislature appropriate $1,250,000 for each year of next biennium.**

The Board is recommending appropriations for next biennium in the same amount as appropriated for the current year because failure to use funds fully in the first year of the program suggests that a justification for increased funding has not been established. However, the Board believes that the amounts requested are necessary to fully test the Work-Study Program with a change in program requirements.

> **In order to provide for better utilization of state work-study funds in meeting the needs of Minnesota students, the Board recommends that the 1977 Legislature remove the existing statutory requirement for utilizing a specified portion of work–study funds for work off-campus and that this specific requirement be replaced with an expression of legislative intent that funds be used for off–campus employment to the extent feasible.**

The most troublesome statutory requirement for the State Work-Study Program is the one which stipulates that no more than 50 percent of work-study funds may be used for on-campus employment. The experience in the first year of the program indicates that institutions were much more successful in using funds for work on-campus than for work off-campus. The proposed modification should make the Work-Study Program more viable.

FOREIGN STUDENT ASSISTANCE PROGRAM

The Foreign Student Assistance Program is designed to help solve the problem of foreign students in Minnesota institutions who face serious financial difficulties but who are not eligible for other student aid programs. Under this program, funds are allocated among Minnesota institutions by formula. As was true with the State Work-Study Program, funds available for the 1975-76 year were not fully used. At least part of the problem again appears to be in the structure of the program. While some institutions used essentially all funds available to them, other institutions used a relatively small portion of available funds under this program.

> **In order to provide for continuation of the Foreign Student Assistance Program, the Board recommends that the 1977 Legislature appropriate $80,000 for each year of next biennium.**

The recommendation will provide funding for each year of next biennium in the same amount as was provided for each year of the current biennium. Since all available funds were not used, the Board does not believe that justification for an increase in appropriation has been established. However, the Board believes that a change in the program may provide for full use of funds in next biennium.

> **In order to provide for more effective utilization of funds in meeting the needs of foreign students, the Board proposes that the allocation of funds for the Foreign Student Assistance Program be modified to incorporate an estimate of the need by each institution and provision for allocation of funds after application of the basic allocation formula.**

The point of this recommendation is to attempt to distribute funds in such a manner that the needs in one institution will not go unmet while excess funds remain in another institution.

STATE STUDENT LOAN PROGRAM

The State Student Loan Program is tailored to meet the requirements of the Federally Insured Student Loan Program and is designed to make loans accessible to all Minnesota students at no cost to the Minnesota taxpayer. The program is entirely self-supporting. Funds for loans are obtained through issuance of revenue bonds and administrative costs are provided and are met through interest income. Students who borrow through the State Student Loan Program have up to 10 years after leaving school to repay loans. Interest on loans is 7 percent and students from families with adjusted gross incomes of less than $25,000 are charged no interest while in school. The program is highly effective and should be continued at a level to meet the total need for student loans in the state.

> **In order to assure that the total need for student loans is met, the Board recommends that the 1977 Legislature either remove the limitation on authority to issue revenue bonds for the program or modify the limitation so that the Board may have up to $150,000,000 in bonds outstanding at any time.**

The present bonding authority of $90,000,000 is nearly exhausted. Moreover, any limitation severely handicaps the ability to operate the program without state subsidy by forcing the Board to issue bonds at the time at which additional bonding authorization is provided rather than the time at which market conditions are most favorable. If the program is to continue to be self-supporting, as the Board believes it should, flexibility to issue bonds when interest rates are favorable is essential.

PRIVACY OF STUDENT AID INFORMATION

Effective operation of student aid programs requires that the Board be able to obtain financial and other personal information which applicants and their families understandably may not wish to be made public. Without such information, the Board would have no legitimate basis for selecting recipients from among applicants.

> **In order to protect student aid applicants and their families from misuse of financial and other personal information which is supplied in applying for assistance under student aid programs, the Board recommends that the 1977 Legislature take action to classify all information files for financial aid as private and not available to the public.**

The classification as private of the data on individuals acquired during the application process to the Minnesota State Scholarship and Grant-in-Aid Programs and the Minnesota State Student Loan Program is requested on the basis of historical precedent and compelling need. The data are necessary for the operation of the programs in conjunction with federal programs and to ensure equitable administration of benefits on an objective basis.

Since the inception of these programs, the privacy of data on individuals has been respected. Implicit in the applications to the Scholarship and Grant-in-Aid Programs is the idea that the data supplied are considered private and will be treated as such. It is clear that personal financial data have traditionally been regarded as private. The privacy of this data was recognized with the passage of the income tax laws in 1933. The nature of data gathered by the Board in the administration of financial aid programs places it in the same category as the tax information protected since 1933.

The close connection of the state financial aid programs to similar federal programs increases the need for privacy. The intent of federal legislation (1966 Freedom of Information Act, the Privacy Act of 1974, Section 438 of the General

Education Provisions Act) is to protect individual privacy. The Board's agreement with the Basic Educational Opportunity Grant Program to provide for the transfer of data gathered at the federal level for use by the Board, for example, makes privacy of the transferred data mandatory if the agreement is to remain in effect.

As families are increasingly unable to cope with the soaring costs of education, applications for assistance grow. Such application is seen by many to be an admission of financial failure. The legislature, itself, in the passage of the programs recognized them as aid to the financially disadvantaged. In addition to the acute embarrassment many applicants and families would suffer, the publication of applicants would serve no useful purposes and would, indeed, violate the purposes for which the data were gathered. It is believed that the publication of applicants and/or recipients would subject those individuals to advertising harassment. Additionally, disgruntled applicants not receiving an award may make use of a published list to vent dissatisfaction.

The Board believes that many families would rather suffer financial or educational deprivation than have their application for public assistance made common knowledge.

CHAPTER IV: FINANCIAL PLANNING AND BUDGET REVIEW

1977-79 BIENNIAL APPROPRIATION REQUEST FOR PUBLIC POST-SECONDARY EDUCATION

This chapter presents actual and requested budget expenditures for all public Minnesota post-secondary education systems in a consolidated budget. Summaries for individual systems are presented in Appendix C. The consolidated budget has been prepared from the 1977-79 legislative appropriation request submitted by each system. The request is presented programmatically in accordance with the new compatible format requested by the 1975 Legislature.[1] As a result, general comparisons can be made between systems with respect to sources of revenue, spending patterns and state appropriations.

The budget requests do not include salary increases for the Community College System or the State University System. Federal revenues are not included in the University of Minnesota budget request. And auxiliary services are not reported. The new program structure is listed below:

- INSTRUCTION AND DEPARTMENTAL RESEARCH
  - General Academic Instruction
  - Occupational and Vocational Instruction
  - Summer Session
  - Extension Instruction
- SEPARATELY BUDGETED RESEARCH
  - Institutes and Research Centers
  - Individual or Project Research
  - Agricultural Experiment Stations
- PUBLIC SERVICE
  - Community Education and Extension Services
- ACADEMIC SUPPORT
  - Libraries and Instructional Resources
  - Computer Services (Instruction and Research)
  - Instructional Administration and Support
- STUDENT SERVICES
  - Financial Aid
  - Student Support Services
- INSTITUTIONAL SUPPORT
  - Executive Management
  - Institutional Support Services
- PLANT OPERATIONS
  - Physical Plant Operations
  - Repairs and Betterments
- STATE SPECIAL APPROPRIATIONS
  - System Wide Decision Items (Price Level Changes, Salary Increases, Enrollment Changes).

The consolidated budget figures contained in this chapter and the system budgets in Appendix C represent a summary of the detailed appropriation requests. They do not include the narrative justifications for the proposed expenditures. In addition to presenting the basic requests, each system's expenditure plan is projected at five year intervals to the year 2000 in current and constant dollars, in order to show the long term implications of current budgetary obligations.

OVERVIEW OF CONSOLIDATED APPROPRIATION REQUEST

The findings summarized below are based on the consolidated expenditure plan and appropriation request for the 1977-79 biennium. They represent broad findings about the total state investment for public post-secondary education. They do not represent applicable findings or conclusions about the appropriation request of the individual systems.

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[1] *Laws of Minnesota 1975*, Chapter 390, Section 1.

Findings:

1. **If the proposed post-secondary education budget for all systems is adopted, the total 1977-79 biennial expenditures will exceed, for the first time, one billion dollars. This figure does not include state appropriations for the Private College Contract Program, the Student Grant-in-Aid Program, the Higher Education Coordinating Board or reciprocity with Wisconsin and North Dakota.**
2. **If the proposed expenditure plan is adopted, direct state appropriations for the operation of the four public systems will exceed $773,000,000. The request represents a 24.59 percent increase over the 1975-77 biennium.**
3. **If the proposed spending plan is approved, tuition revenue in the aggregate will exceed $157,000,000 during the upcoming biennium, which is a 17.15 percent increase over the current biennium.**
4. **Under the proposed expenditure plan, the largest percentage increase in the 1977-79 biennium will occur in student services, 23.30 percent; instruction and departmental research, 12.27 percent; and plant operations and maintenance, 10.50 percent.**
5. **Excluding salary increases for the State University System and the Community College System, total personnel expenditures under the proposed budget exceed $734,000,000, which is a 16.67 percent increase above the personnel expenditures in the present biennium.**
6. **If new positions are funded as requested, by Fiscal Year 1979 all public systems will employ 20,473 full-time equivalent persons in all personnel classifications.**
7. **Expenditures for instruction and departmental research in the current and upcoming biennium account for approximately 44 percent of all expenditures.**
8. **Expenditures for the three primary programs of instruction, research and public service in the current and upcoming biennium represent less than 50 percent of all operating expenditures.**
9. **State direct appropriations requested for the 1977-79 biennium represent approximately 70 percent of income from all sources.**
10. **Tuition revenue under the requested spending plan for 1977-79 will represent 14.35 percent of income from all sources, excluding federal revenues at the University of Minnesota.**
11. **Requested expenditures for the 1977-79 biennium are over $158,000,000 more than actual expenditures for the 1975-77 biennium. This represents a 16.96 percent increase.**
12. **The University of Minnesota spends approximately 50 percent of all educational dollars for public post-secondary education in Minnesota.**
13. **Non-instructional expenditures per full-time equivalent student are increasing at a faster rate than instructional expenditures per full-time equivalent student and this trend continues with the 1977-79 budget requests.**
14. **The increase in direct state appropriations will account for 75 percent of the total requested increase in revenues for the 1977-79 biennium.**
15. **If all requests are funded as requested, by Fiscal Year 1979 over 1600 positions will be supported through state special appropriations and represent 8.10 percent of all positions in public post-secondary education.**

PROJECTED EXPENDITURES, ALL SYSTEMS, 1975-1995

Projected expenditures for all public post-secondary education in Minnesota are presented in Figure 2 in current and constant dollars through 1995. The projections do not represent predictions about what will actually occur in the future, but rather extrapolate current trends and conditions. The projections are based on three primary assumptions:

1. that there will be no change in current policies or administrative structures,
2. that at the system level funding and staffing patterns will remain the same, and
3. that enrollment projections offer a reasonable "base" for making financial projections.

While it is possible that during the next 25 years significant changes will take place in the structure and governance of public post-secondary education in Minnesota, speculation about the nature of those changes would alter the intent and value of these projections. Although structural and policy changes could affect financing post-secondary education greatly, there is no systematic manner for including such alternatives in a set of base-line extrapolations. Hence, they are assumed to be constant.

The methodological procedure used in making the projections was to tie expenditures and revenues to enrollments and project the amounts of expenditures and revenues subject to enrollment fluctuations. This technique makes overall financial projections more sensitive to projected enrollment changes.

For the consolidated budget and in Appendix C for each of the systems, there are two tables and one figure. One table provides the constant 1975 dollar projections and the other contains the inflated (at 6.6 percent annually) projections. The figures graphically display each projection and the difference between them. The constant dollar projections change only on the basis of enrollment fluctuations. The inflation projections change as a function of enrollment changes and the estimated annual rate of inflation.

While the 6.6 percent inflation factor may seem high, it does reflect changes in the higher education price index in the recent past. In reviewing the projections it is productive to focus more on the difference between the constant and inflated projections rather than the absolute amount of either. It is highly likely that future expenditures will lie within this range of values. All of the tables and figures can be viewed from the perspective of "what happens to post-secondary educational expenditures if there are no changes other than enrollments and inflation?" If one wishes to consider the financial impact of alternative course of state policy, those changes would have to be specifically stated and tested.

The projected budget for all post-secondary systems is graphically displayed in Figure 2. It reveals the enormous increase in annual expenditures for post-secondary education caused by inflation. While the constant dollar appropriation will remain relatively stable, and even decline somewhat in the 1990's as enrollments decrease, inflation will increase annual expenditures 236 percent by 1995 to $1.366 billion annually.

FIGURE 2

ACTUAL AND PROJECTED EXPENDITURES
IN CONSTANT DOLLARS AND AT 6.6
PERCENT ANNUAL INFLATION RATE
ALL PUBLIC SYSTEMS

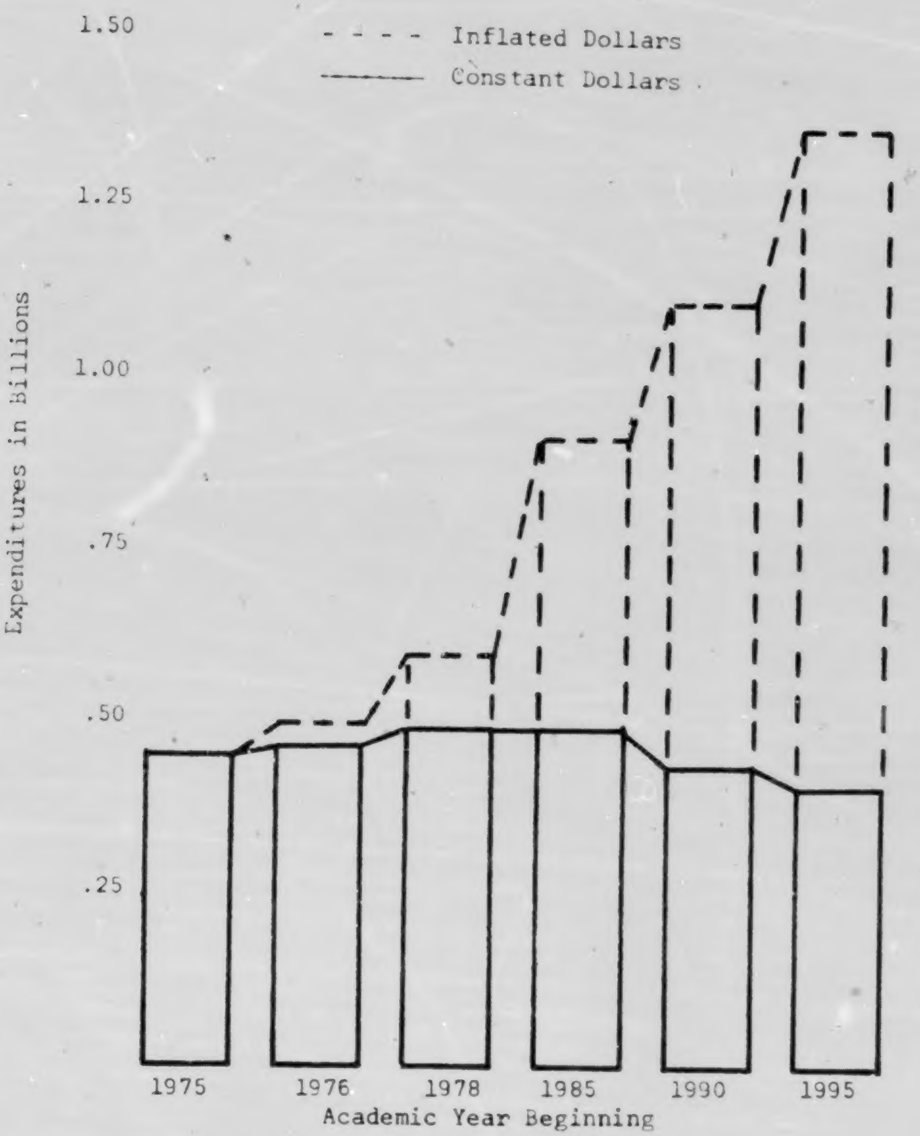

TABLE 1

ACTUAL AND REQUESTED EXPENDITURES AND INCOME ALL PUBLIC SYSTEMS

Program Title	Actual F.Y. 1975	Actual F.Y. 1976	% Change Previous Year	Estimated F.Y. 1977	% Change Previous Year	F.Y. 1978	Agency Request % Change Previous Year	F.Y. 1979	% Change Previous Year	1975-77 Biennium	1977-79 Biennium	% Change Biennium
Instruction & Departmental Research	$169,459,291	$206,218,071	21.69	$218,894,415	6.15	$233,884,934	6.85	$243,406,331	4.07	$425,112,486	$477,291,265	12.27
Separately Budgeted Research	8,831,996	9,097,551	3.01	7,885,501	-13.32	7,971,103	1.09	8,067,778	1.21	16,983,052	16,038,881	- 5.56
Public Service	4,225,707	5,403,782	27.88	5,535,314	2.43	5,468,282	- 1.21	5,508,490	.74	10,939,096	10,976,772	.34
Academic Support	34,506,745	40,734,444	18.05	45,385,925	11.42	46,629,281	2.74	47,815,299	2.54	86,120,369	94,444,580	9.67
Student Services	28,498,824	35,244,154	23.67	42,880,338	21.67	47,197,020	10.07	49,132,509	4.10	78,124,492	96,329,529	23.30
Institutional Support	35,173,325	42,054,673	19.56	45,515,315	8.23	47,405,527	4.15	48,335,588	1.96	87,569,988	95,741,115	9.38
Plant Operations & Maintenance	49,472,191	61,011,118	23.32	59,872,328	- 1.87	65,215,028	8.92	68,355,348	4.82	120,883,446	133,570,376	10.50
State Special Appropriations	28,916,121	50,639,888	75.13	59,328,944	17.16	54,024,603	- 8.94	53,660,612	- .67	109,968,832	107,685,215	- 2.08
System Wide Decision Items	—	—	—	—	—	24,762,158	—	37,524,675	51.54	—	62,286,833	—
Total*	$359,084,200	$450,403,881	25.43	$485,298,080	7.75	$532,557,936	9.74	$561,806,630	5.49	$935,701,761	$1,094,364,566	16.98
Sources of Funds												
General Fund – Direct**	$244,493,101	$300,560,243	22.93	$320,013,091	6.47	$375,775,698	17.43	$397,416,598	5.76	$620,573,334	$773,192,296	24.59
General Fund – Open**	16,107,228	10,213,223	-36.59	16,635,146	62.88	4,067,281	—	4,067,281	—	26,848,369	8,134,562	—
General Fund – Contingency	—	83,973	—	34,575	—	2,921,357	—	3,085,330	5.61	118,548	6,006,687	—
Tuition & Fees	54,298,276	64,464,685	18.72	70,281,151	9.02	76,713,370	9.15	81,143,146	5.77	134,745,836	157,856,516	17.15
All Others	41,151,707	72,656,058	76.56	78,149,117	7.56	76,001,587	- 2.75	79,179,605	4.18	150,805,175	155,181,192	2.90
Total*	$356,050,312	$447,978,182	25.82	$485,113,080	8.29	$535,479,298	10.38	$564,891,960	5.49	$933,091,262	$1,100,371,253	17.93

*Total columns do not match owing to account crossovers. See system summary tables for detail.

**General fund amounts include state specials.

TABLE 2

PERCENT DISTRIBUTION OF EXPENDITURES BY PROGRAM AND SOURCE OF INCOME ALL PUBLIC SYSTEMS

Program Title	Actual F.Y. 1975	Actual F.Y. 1976	Estimated F.Y. 1977	Request F.Y. 1978	Request F.Y. 1979	1975-77 Appropriation	1977-79 Request
Instruction & Departmental Research	47.19	45.78	45.11	43.92	43.33	45.43	43.61
Separately Budgeted Research	2.46	2.02	1.62	1.50	1.44	1.82	1.47
Public Service	1.18	1.20	1.14	1.03	.98	1.17	1.00
Academic Support	9.61	9.04	9.35	8.75	8.51	9.20	8.63
Student Services	7.94	7.83	8.84	8.86	8.75	8.35	8.80
Institutional Support	9.80	9.34	9.37	8.90	8.60	9.36	8.75
Plant Operations & Maintenance	13.77	13.55	12.34	12.25	12.16	12.92	12.21
State Special Appropriations	8.05	11.24	12.23	10.14	9.55	11.75	9.84
System Wide Decision Items	–	–	–	4.65	6.68	–	5.69
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Source of Funds							
General Fund – Direct	68.67	67.09	65.97	70.17	70.35	66.51	70.26
General Fund – Open	4.52	2.28	3.43	.76	.72	2.88	.74
General Fund – Contingency	–	.02	.01	.55	.55	.01	.55
Tuition & Fees	15.25	14.39	14.48	14.33	14.36	14.44	14.35
All Others, Including Federal	11.56	16.22	16.11	14.19	14.02	16.16	14.10
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

TABLE 3

ACTUAL AND REQUESTED EXPENDITURES BY PROGRAM ALL PUBLIC SYSTEMS

Program	1975-77 Biennium "Old Base"[1]	1977-79 Biennium "New Base"[2]	1977-79 Biennium Total Request[3]	Difference "New Base"– "Old Base"	% Difference	Change: Total Request from "New Base"	% Change	Total Change: Total Request – "Old Base"	% Total Change
Instruction & Departmental Research	$425,112,486	$439,771,995	$477,291,265	$14,659,509	3.45	$ 37,519,270	8.53	$ 52,178,779	12.27
Separately Budgeted Research	16,983,052	15,772,630	16,038,881	(1,210,422)	-7.13	266,251	1.69	(944,171)	-5.56
Public Service	10,939,096	10,760,110	10,976,772	(178,986)	-1.64	216,662	2.01	37,676	.34
Academic Support	86,120,369	89,353,204	94,444,580	3,232,835	3.75	5,091,376	5.70	8,324,211	9.67
Student Services	78,124,492	86,212,157	96,329,529	8,087,665	10.35	10,117,372	11.74	18,205,037	23.30
Institutional Support	87,569,988	91,800,365	95,741,115	4,230,377	4.83	3,940,750	4.29	8,171,127	9.33
Plant Operation & Maintenance	120,883,446	124,863,003	133,570,376	3,979,557	3.29	8,707,373	6.97	12,686,930	10.50
State Special Appropriations	109,968,832	99,780,652	107,685,215	(10,188,180)	-9.26	7,904,563	7.92	(2,283,617)	-2.08
System Wide Decision	–	7,740,636	62,286,833	7,740,636	–	54,546,197	–	62,286,833	–
State Total	$935,701,761	$966,054,752	$1,094,364,566	$30,352,991	3.24	$128,309,814	13.28	$158,662,805	16.96

[1] Actual and estimated expenditures, 1975-77 Biennium.

[2] Maintenance of current levels of activity under Department of Finance guidelines.

[3] Total request for 1977-79 Biennium.

TABLE 4

ACTUAL AND REQUESTED EXPENDITURES AND INCOME PER FULL-TIME EQUIVALENT STUDENT[1] ALL PUBLIC SYSTEMS

Expenditures Per Student	Actual 1975	Actual 1976	Estimated 1977	Requested[2] 1978	Requested[2] 1979
Instruction	$1,393	$1,593	$1,624	$1,678	$1,706
All Other Activities	1,559	1,887	1,976	2,143	2,232
Total	$2,952	$3,480	$3,600	$3,821	$3,938
Income Per Student					
General Fund Appropriations	$2,010	$2,322	$2,374	$2,696	$2,786
Tuition & Fees	446	498	521	550	569
All Other Sources	471	641	704	596	605
Total	$2,927	$3,461	$3,599	$3,842	$3,960

[1] Average Daily membership enrollments are used for Area Vocational-Technical Institutes.

[2] Does not include salary adjustments for State University and Community College Systems for F.Y. 1978 and F.Y. 1979.

TABLE 5

ACTUAL AND REQUESTED PERSONNEL EXPENDITURES ALL PUBLIC SYSTEMS

Personnel Costs	Actual F.Y. 1975	Actual F.Y. 1976	% Change	Estimated F.Y. 1977	% Change	Request F.Y. 1978*	% Change	Request F.Y. 1979*	% Change	1975-77 Approp.	1977-79 Request*	% Change
Total Salary	$228,446,320	$269,578,414	18.01	$297,346,819	10.30	$322,443,243	8.44	$339,783,130	5.38	$566,925,233	$662,226,373	16.81
Total Fringe Benefits	24,754,215	30,343,148	22.58	33,150,127	9.25	35,662,655	7.58	37,094,638	4.02	63,493,275	72,757,293	14.59
Total Costs	$253,200,535	$299,921,562	18.45	$330,496,946	10.19	$358,105,898	8.35	$376,877,768	5.24	$630,418,508	$734,983,666	16.59
Position Counts												
Professional	9,613.20	10,231.60	6.43	11,465.90	12.06	11,984.40	4.52	12,169.50	1.54	11,465.90	12,169.50	6.14
Non-Professional	6,820.90	7,248.80	6.27	7,796.30	7.55	8,152.90	4.57	8,303.60	1.85	7,796.30	8,303.60	6.51
Total	16,434.10	17,480.40	6.37	19,262.20	10.19	20,137.30	4.54	20,473.10	1.67	19,262.20[1]	20,473.10[1]	6.29

*Does not include salary increases for State University System and Community College System.

[1] Position Counts those of last year of each biennium.

TABLE 6

PERCENTAGE OF TOTAL STATEWIDE EXPENDITURES BY PROGRAM AND SYSTEM ALL PUBLIC SYSTEMS

	Estimated F.Y. 1977					Request F.Y. 1979				
Program Title	University of Minnesota	State University System	Community College System	Area Vocational-Technical Institutes	Total	University of Minnesota	State University System	Community College System	Area Vocational-Technical Institutes	Total
Instruction & Departmental Research	45.99	19.35	8.12	26.54	100.00	44.27	17.76	7.90	30.07	100.00
Separately Budgeted Research	50.35	29.49	–	20.16	100.00	53.55	28.53	–	17.92	100.00
Public Service	79.18	2.51	18.31	–	100.00	81.47	2.55	15.98	–	100.00
Academic Support	51.28	22.37	9.13	17.22	100.00	52.56	21.76	7.31	18.37	100.00
Student Services	28.89	19.13	18.85	33.13	100.00	30.95	16.96	18.17	33.92	100.00
Institutional Support	47.32	24.17	9.93	18.58	100.00	48.17	23.50	9.53	18.80	100.00
Plant Operations	52.41	22.25	9.53	15.81	100.00	53.57	21.27	7.74	17.62	100.00
State Special Appropriations	50.10	–	–	49.90	100.00	63.26	–	–	36.74	100.00
System Wide Decision Items	–	–	–	–	–	90.13	–	–	9.87	100.00
Total	46.84	18.03	8.50	26.63	100.00	50.63	16.07	7.55	25.75	100.00

TABLE 7

PERCENTAGE OF ALL FUNDS BY SOURCE AND SYSTEM ALL PUBLIC SYSTEMS

	Estimated F.Y. 1977					Request F.Y. 1979				
Source of Funds	University of Minnesota	State University System	Community College System	Area Vocational-Technical Institutes	Total	University of Minnesota	State University System	Community College System	Area Vocational-Technical Institutes	Total
General Fund – Direct	47.03	17.63	8.00	27.34	100.00	52.31	14.65	7.44	25.60	100.00
General Fund – Open	63.08	24.45	12.47	–	100.00	–	100.00	–	–	100.00
General Fund – Contingency	–	–	100.00	–	100.00	–	–	–	100.00	100.00
Tuition & Fees	56.65	24.20	16.12	3.03	100.00	61.27	22.14	13.67	2.92	100.00
All Other, Including Federal	33.66	12.82	2.82	50.70	100.00	33.87	12.70	2.21	51.22	100.00
Total	46.82	18.04	8.50	26.64	100.00	50.35	15.99	7.51	26.15	100.00

TABLE 8

REQUESTED EXPENDITURES AND INCOME PER FULL-TIME EQUIVALENT STUDENT[1] ALL PUBLIC SYSTEMS

	Requested F.Y. 1978								Requested F.Y. 1979							
	University of Minnesota		State University System		Community College System		Area Vocational-Technical Institutes		University of Minnesota		State University System		Community College System		Area Vocational-Technical Institutes	
Expenditures Per Student	$	% Change	$	% Change	$	% Change	$	% Change	$	% Change	$	% Change	$	% Change	$	% Change
Instruction	2,017	-.40	1,248	1.03	927	5.94	2,064	10.79	2,038	1.04	1,242	-.48	924	.32	2,143	3.83
All Other Activities	3,071	20.53	1,378	2.45	1,125	-2.51	2,116	-7.23	3,340	8.76	1,352	-1.89	1,115	-.89	2,092	-1.13
Total	5,088	11.26	2,626	.77	2,052	1.13	4,180	.87	5,378	5.70	2,594	-1.22	2,039	-.63	4,235	1.32
Income Per Student																
General Fund Appropriations	3,001	22.29	1,698	1.07	1,438	5.43	2,948	5.10	3,193	6.40	1,672	-1.53	1,422	-1.11	2,978	1.02
Tuition & Fees	883	10.24	519	1.96	534	-4.30	69	1.47	940	6.46	516	-.58	533	-.19	69	0.00
Other Sources	1,204	-8.37	409	-1.92	80	-25.23	1,252	-1.49	1,245	3.41	406	0.00	84	5.00	1,278	2.08
Total	5,088	11.36	2,626	.77	2,052	1.13	4,269	3.02	5,378	5.70	2,594	-1.22	2,039	-.63	4,325	1.31

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[1] For estimated F.Y. 1977 data see Appendix C.

TABLE 9

NUMBER OF FULL-TIME EQUIVALENT POSITIONS ALL PUBLIC SYSTEMS

	Estimated F.Y. 1977			Request F.Y. 1979		
Program Title	Unclassified[1]	Classified[2]	Total	Unclassified[1]	Classified[2]	Total
Instruction & Departmental Research	8,708.6	1,293.9	10,002.5	9,174.0	1,430.6	10,604.6
Separately Budgeted Research	139.8	210.8	350.6	138.1	209.2	347.3
Public Service	63.7	247.3	311.0	65.7	238.7	304.4
Academic Support	933.7	1,266.8	2,200.5	932.2	1,332.8	2,265.0
Student Services	553.4	768.0	1,321.4	600.6	832.7	1,433.3
Institutional Support	377.3	1,368.6	1,745.9	387.6	1,386.8	1,774.4
Plant Operation & Maintenance	3.8	1,965.6	1,969.4	3.8	2,081.4	2,085.2
State Special Appropriations	685.6	675.3	1,360.9	867.5	791.4	1,658.9
Total	11,465.9	7,796.3	19,262.2	12,169.5	8,303.6	20,473.1

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[1] Consists of all unclassified employees of UM, SUS, and CCS and all unclassified professional and management employees of AVTI.

[2] Consists of all classified employees of UM, SUS, and CCS and all unclassified non-professional employees of AVTI.

TABLE 10

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL (IN CONSTANT DOLLARS)

ALL PUBLIC SYSTEMS

Expenditures	1975-76	1976-77	1978-79	1985-86	1990-91	1995-96
Instruction & Departmental Research	$206,218,071	$214,485,005	$224,238,823	$219,640,931	$198,160,209	$183,062,752
All Other	244,185,610	250,077,776	262,496,780	263,972,770	243,887,963	226,326,812
Total	$450,403,681	$464,562,781	$486,735,603	$483,613,701	$442,048,172	$409,389,564
Revenue						
Direct State Appropriations	$300,560,243	$312,653,298	$326,851,522	$320,238,088	$288,776,828	$266,491,178
Tuition & Fees	$ 64,464,685	$ 66,929,816	$ 68,691,706	$ 66,782,969	$ 59,244,630	$ 53,972,642
Personnel						
Unclassified Staff	10,208.9	10,427.4	11,026.9	10,769.7	9,685.1	8,915.9
Total Staff	17,480.1	20,796.7	18,825.6	18,385.2	16,452.4	15,081.6

TABLE 11

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL (AT 6.6 PERCENT ANNUAL INFLATION RATE)

ALL PUBLIC SYSTEMS

Expenditures	1975-76	1976-77	1978-79	1985-86	1990-91	1995-96
Instruction & Departmental Research	$206,218,071	$228,637,852	$271,635,538	$416,163,266	$516,826,677	$657,307,703
All Other	244,185,610	266,572,161	317,911,788	500,033,543	635,904,222	612,376,914
Total	$450,403,681	$495,210,013	$589,547,326	$916,196 809	$1,152,730,899	$1,469,684,617
Revenue						
Direct State Appropriations	$300,560,243	$333,297,109	$395,949,933	$606,794,176	$753,180,746	$956,770,388
Tuition & Fees	$ 64,464,685	$ 69,691,734	$ 81,284,456	$123,562,765	$150,901,908	$189,375,260
Personnel						
Unclassified Staff	10,208.0	10,427.4	11,026.9	10,769.7	9,685.1	8,915.9
Total Staff	17,480.1	20,796.7	18,825.6	18,385.2	16,452.4	15,081.6

CHAPTER V: COORDINATION OF NEW INSTRUCTIONAL PROGRAMS

The Board continues its statutory responsibility in review of new programs.

Under the review process during the biennium, the Board formulated several educational policies, produced a Uniform Proposal Format for more precise reporting of program and resource information, and created specific advisory structures for health, early childhood, osteopathic, nursing and vision-care education.

Tables 12 and 13 summarize and compare results in review of new programs.[1]

Table 12 compares biennia, not by fiscal years but by comparative final dates for reporting to the legislature — that is, every second October.

The table indicates a trend toward fewer preliminary and formal proposals, approximately a one-third reduction between 1971-72 and 1975-76. Perhaps the review process itself encourages greater caution; perhaps the absence of new institutions and general belt-tightening account for part of the decline.

Conversely, the amount of information-sharing grew dramatically, from 31 "For Information" documents in 1971-72 to 250 in 1975-76.

The action summary on Table 12 shows more than a one-third decline in programs reviewed favorably or favorably with conditions. For 1975-76, the total of new programs was 129 which amounts to an average of a little over one new program per public and private campus in Minnesota. In the same period, the three categories of unfavorable review, preliminary not returned and proposal withdrawn accounted for 64 programs, or about one-third of all proposals. Finally, the systems report an increasing number of discontinued programs.

Control over unwarranted duplication and proliferation of new programs results in savings of public and private resources. These savings are cumulative and recur annually. If those new programs that were proposed but not implemented had been implemented, they would have cost the state approximately $5,000,000 per year based on estimates reported for 1973-74.

Moreover, favorably reviewed programs often depict merely a redirection of existing resources. These programs, with programs discontinued or not implemented and with the general decline, add substantially to the estimated total of savings to the state.

Table 13 depicts the current reporting period by system. During the 24 months, successful, unsuccessful and discontinued programs were almost evenly distributed between the University of Minnesota and the state universities. The Community College Board successfully proposed only 15 programs. The AVTIs proposed a total of 85 programs of which 35 were reviewed favorably, an average of one per campus. The same average applied to private colleges, a total of 19 successful programs.

It is anticipated that new program and information-sharing activity will hold at about the same level in the coming biennium. The Uniform Proposal Format will permit quick analysis of comparable data on costs of new and restructured programs.

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[1] Program proposals are researched and evaluated by the Board staff. They also are reviewed by a Curriculum Advisory Committee, which includes representatives of the state's post secondary systems. The tables refer to the document forms submitted by institutions for use by the CAC and staff, principally proposals describing new programs and "For Information" documents containing general information. New program proposals generally go through both a preliminary and formal stage. If a proposal attains formal status, the Board grants either favorable or unfavorable review or may attach conditions by a motion concerning the program's consistency with need, mission, duplication and cost-benefit.

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TABLE 12

NUMERIC COMPARISON OF EFFORT AND RESULTS IN REVIEW OF NEW INSTRUCTIONAL PROGRAMS, 1972-76

DOCUMENT SUMMARY	BIENNIAL COMPARISON 1971-1972	1973-1974	1975-1976
Preliminary Proposals	269	272	189
Formal Proposals	218	240	136
Joint Proposals	—	2	2
Discontinued	23	3	35
New Institutions	6	—	—
For Information Only	31	192	250

ACTION SUMMARY	BIENNIAL COMPARISON 1971-1972	1973-1974	1975-1976
Favorable	209	179	103
Favorable with conditions	7	34	26
Unfavorable	—	6	—
Preliminaries not returned	186	116	62
Withdrawn	1	6	2
Withdrawn temporarily	7	1	5
Not implemented	4	3	2
Discontinued	23	3	35

TABLE 13

NUMERIC COMPARISON BY SYSTEM IN REVIEW OF NEW INSTRUCTIONAL PROGRAMS, 1975-76

	SYSTEMS				
	Regents	State Univ. Board	Community College Board	AVTI Board	Private Colleges
Favorable, no conditions	25	23	12	27	16
Favorable with conditions	6	6	3	8	3
Unfavorable					
Preliminary not returned	6	2		45	9
Withdrawn		1		1	
Withdrawn temporarily		3		2	
Not implemented				2	
Discontinued	15	15	1	4	

COORDINATION OF EXISTING INSTRUCTIONAL PROGRAMS

Pursuing its statutory responsibilities in program review, the Board is paying particular attention to priority areas among existing programs.

Both by itself and in cooperation with other state agencies as necessary, the Board has moved to identify and establish relevant data bases, to design comprehensive plans, to determine for institutions and government as appropriate either operational guidelines or planning priorities or state policies, and to create the processes and obtain the financial resources to support these efforts.

Subsequent parts of this chapter will address items requiring either legislative attention or specific legislation:

- staffing for coordination in health education,
- contracting for optometric education,
- contracting for osteopathic education,
- nursing education policies
- coordination in agriculture education.

It should be noted in general, however, that Board activities in program coordination cover a wide scope of priority topics:

- Data Bases
    - computerization of a broadened program inventory
    - dissemination of program inventory information
    - cooperation with health manpower data systems: the State Health Manpower information system of the Board of Health, state and regional health planning systems under P.L. 93-641
    - standardization of health occupation titles
    - cooperation with Minnesota Occupational Information System.
- Program Priorities
    - Early Childhood
    - Developmental Disabilities
    - Human Services
    - Continuing Education
    - Health Care Administration
    - Emergency Medical Services
    - Community Education
    - Nursing and Medical Specialties
    - Physician Extenders
    - Dental Auxiliaries
    - Agriculture Education

HEALTH EDUCATION

The Board received substantial non-state resources to pursue activities in priority areas and data base development, particularly for health education. These seed monies provided the necessary staff to perform large innovative tasks preparatory to routine planning in health education.

The seed-money lapses at the end of Fiscal Year 1977 when it is anticipated that the preparatory work will be complete. The Board then needs minimal additional staff to maintain the effort.

The state has a compelling reason to continue this effort both because of the dollars to be saved by a rationalized health manpower planning effort and because of the improvement of health services that can be expected to occur. Formal agreements to coordinate planning for education, credentialing and use of health personnel have been completed between state agencies (HECB, State Board of Health, State Health Planning and Development Agency). The other agencies have allocated resources in their budgets for their future activities with the Coordinating Board.

The Board's effort is also the base for needed expansion to include other relevant agencies for specific purposes, e.g., the Department of Welfare for mental health and chemical dependency manpower, the Office of Human Services for human services manpower and credentialing.

The Board urges acceptance of its biennial budget request for one staff position and attendant support

funds in order to maintain effort in coordination of health education.

Contracting for Optometric Education

The 1976 Minnesota Legislature charged the MHECB with evaluating the present and future shortage of optometrists in Minnesota and advising the 1977 Legislature about the feasibility of establishing a school of optometry for Minnesota or contracting for spaces for Minnesota residents at existing schools of optometry.[2] The full optometric education study is available from the Board as Planning Report 13.

In June 1976 the Board convened an advisory committee on vision care education. It was charged with studying optometric education issues and developing recommendations pursuant to the legislative mandate. In the course of its deliberations, the Advisory Committee on Vision Care Education examined data supplied by the Health Manpower Information System and the Board of Optometry. Several studies of optometrists from other states and regions were reviewed. The experience of new schools of optometry provided cost information relative to new school development. Staff contacted existing schools directly relative to contracting costs and availability of spaces.

Projections of the state's optometric manpower needs were prepared, based on Board of Optometry data and population projections prepared by the State Planning Agency.

At its meeting on October 25, 1976, the Advisory Committee on Vision Care Education unanimously adopted the following recommendations to the HECB:

1. Based on optometric manpower projections for Minnesota 1975-2000, and assuming that the present ratio of optometrists to population is adequate (and there is no evidence to suggest otherwise), the committee recommended educating 13 optometrists per year to meet the future needs of Minnesota's growing population.
2. It is not feasible at this time to establish a school of optometry in Minnesota to meet the state's immediate needs.
3. The legislature should establish a contracting process to allow 13 entering students per year who are Minnesota residents to be admitted to existing schools of optometry, and that the legislature should designate the HECB as the state agency responsible for contracting for the necessary places.

The recommendations of the Advisory Committee on Vision Care Education were reviewed by other HECB advisory committees and by staff. The Advisory Committee on Health Education endorsed the recommendation of the Advisory Committee on Vision Care Education on condition that the HECB be made the administrative agency and that some language regarding service in Minnesota be incorporated in the bill. The committee pointed out the need to consider the implications for establishing a precedent that would provide educational opportunities not available in the state for Minnesota residents through contracting.

The Curriculum Advisory Committee voted to receive and transmit the committee's report to the HECB with the notation that acceptance of the committee's recommended actions would appear to establish a precedent of providing access to educational opportunities for Minnesota residents through the contracting process.

Based on the projections developed for the advisory committee, the Board does not believe that the need described is great enough to justify the establishment of a school of optometry for Minnesota alone.

Contracting for services at existing schools of optometry is an alternative to meeting the state's immediate needs for optometrists. However, as schools of optometry become regional resources and as competition among states for contracting spaces intensifies, the number of spaces available to Minnesota for contracting may decrease. Optometric manpower studies completed by neighboring states, such as Wisconsin, Michigan, Missouri, Iowa, and the Dakotas have identified a similar problem of securing adequate numbers of spaces to meet future optometric manpower needs. These studies suggest that the regional need for a school of optometry be explored with neighboring states.

The Minnesota Legislature has authorized the HECB to "continuously engage in long range planning of the needs of higher education and, if necessary cooperatively engage in such planning with neighboring states . . ." (Minnesota Statutes 136A.04 (b)). The Board suggests that contracting for spaces at existing schools of optometry be a short-term mechanism for meeting Minnesota's immediate manpower needs. In terms of long-range planning, the Board recommends the initiation of discussions with neighboring states concerning the need for developing a regionally based school of optometry.

The Board recommends that there be an ongoing evaluation of the projections of need for optometric manpower in relation to demand for services. Such regular re-evaluation was suggested by the Advisory Committee on Vision Care Education.

The Board calls attention to the need to study the implications of establishing the precedent that access to educational opportunities for Minnesota students will be provided through a contracting process. The Board intends to develop criteria for establishing future contracting programs. The Higher Education Coordinating Board makes the following recommendations to the 1977 Legislature:

1. **Based on the Advisory Committee on Vision Care Education's assumption that the 1975 ratio of optometrists to population is adequate (and that there are no data to prove otherwise), Minnesota should subsidize the education of 13 optometrists per year to maintain the current level of optometric service.**
2. **The need for 13 optometrists per year to maintain the current level of optometric service is not great enough to justify establishment of a school of optometry by the state for meeting Minnesota's immediate optometric manpower needs.**
3. **The legislature should authorize the HECB to contract for 13 seats per year at existing schools of optometry at a total cost of $156,000 for the biennium, plus administrative expenses.**
4. **The HECB should enter into conversations with neighboring states during the biennium concerning the need for developing a regional school of optometry.**

Contracting for Osteopathic Education

The 1976 Minnesota Legislature charged the HECB with evaluating the present and future shortage of osteopathic physicians in Minnesota and advising the 1977 Legislature as to the feasibility of contracting for spaces for Minnesota residents at existing colleges of osteopathy.[3] The full osteopathic education study is available from the Board as Planning Report 14.

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[2] *Laws of Minnesota 1976, Chapter 31*

[3] Ibid.

The Advisory Committee on Osteopathic Education was convened by the HECB on July 14, 1976, to address the legislative charge. At subsequent meetings the committee examined manpower and cost data supplied by several sources including the Minnesota State Osteopathic Association, the American Association of Colleges of Osteopathic Medicine, and Minnesota medical schools.

Representatives of the osteopathic colleges were convened by the American Association of Colleges of Osteopathic Medicine to discuss the feasibility of Minnesota's developing a contract program and to identify the colleges that would participate in such a contract program, the contract fee per student slot, and the number of spaces available per year for contracting.

Based on the analysis of available data and information and the expertise of committee members, the committee concluded that osteopathic medicine should be sustained in Minnesota, that Minnesota residents who study osteopathic medicine are likely to return to the state to practice, and that contracting for spaces in existing osteopathic schools is the most cost-effective way of stabilizing osteopathic medicine in the state.

At its September 22, 1976 meeting the Advisory Committee on Osteopathic Education unanimously adopted the following recommendations to the HECB:

1. Minnesota should contract with existing colleges of osteopathy for 10 spaces per year for Minnesota residents; educating 10 osteopathic physicians per year would ensure the survival of osteopathic practice in the state.
2. The state should establish a contract fee of $13,500 per slot, with the Minnesota student paying tuition at the same rate as a Minnesota resident attending the University of Minnesota medical school.
3. The MHECB should be designated as the administrative agency responsible for processing student applications and for developing rules and regulations for the program.

The committee agreed that both rural and urban areas in Minnesota can be considered to be in need of osteopathic medical services. Therefore, in regard to obligating the participating physicians to repay the contract fee, the enabling bill should require only that they return to Minnesota to practice for a specified period of time. The committee also pointed to a counterpressure exerted by the shortage of family practice residencies in the state; physicians taking residency training in other states are less likely to return to Minnesota to practice.

The recommendations of the Advisory Committee on Osteopathic Education were reviewed by other HECB advisory committees and by staff.

The Advisory Committee on Health Education voted its concurrence with the recommendations of the Advisory Committee on Osteopathic Education predicated on the designation of the HECB as the administrative agency.

The Advisory Committee on Health Education did, however, express its concern that a precedent would be set for providing educational access through contracting for a broad range of professions whose training is not represented in Minnesota's post secondary systems.

The Curriculum Advisory Committee voted to receive and transmit the report to the HECB with the observation that it would appear that such contracting policies may be setting a precedent for providing educational opportunities not now available in the state.

The curriculum committee also noted the absence of information supporting the decision on the number of osteopathic students to be supported.

The Board endorses recommendations one and three of the advisory committee.

The Board supports the sense of recommendation two, but suggests that a total dollar figure be substituted for the single unit cost in order to allow the administrative agency to make appropriate allocations to schools with three-year curricula and to account for slight differences in costs among schools.

The Board also would like to call attention to the committee's observation that the shortage of family practice residencies in Minnesota runs counter to any recommendations designed to encourage the growth of this specialty group. It is expected that the legislature will be asked to re-evaluate state support for post-graduate education in family practice in the light of the needs of osteopathic as well as allopathic physicians.

Additionally, the Board is aware that the support of contracting programs in optometry and osteopathy may lead to similar requests from other manpower groups for whom no educational programs exist in the state. As noted above, the Board intends to develop criteria for establishing future contracting programs.

The Board makes the following recommendations to the 1977 Legislature:

1. **Minnesota should contract with existing colleges of osteopathy for 10 spaces per year for Minnesota residents.**
2. **The state should appropriate $405,000 for the biennium to cover the cost of the contracting program; participating students should pay tuition at the same rate as a Minnesota resident attending the University of Minnesota medical school.**
3. **MHECB should be designated as the administrative agency responsible for processing student applications and for developing rules and regulations for the program, and should be provided administrative expenses by the 1977 Legislature.**

Nursing Education Policies

The Advisory Committee on Nursing Education, a representative group of educators, employers, professionals and consumers, is charged with an annual review of HECB's nursing education policies for the state. The full updated report on nursing education is available from the Board as Planning Report 12.

In 1973 the adopted policies included a moratorium on the growth in total number of nurses graduated annually in the state, with provision for addressing maldistribution issues through encouraging the replacement of programs that close or reduce enrollment with new or expanding programs located in shortage areas.

The policies adopted by Higher Education Coordinating Board in 1975 continued the moratorium on growth in total numbers to be graduated, but established a 1980 goal regarding the ratio of graduates of programs at the different educational levels. The ratio of one practical nurse program graduate to every two graduates of programs preparing registered nurses reflected the current output. The goal for graduates of programs preparing registered nurses was established at 45 percent to be graduated from baccalaureate programs and 55 percent from associate degree programs. This ratio was based on a perceived need for more baccalaureate nurses and on reasonable expectation of achievement of the goal with existing educational resources.

The 1976 policies recommended by the Advisory Committee on Nursing Education for the HECB's adoption contain one significant change from previous years. They allow for an increase in the total number to be graduated from nursing programs, with all the increase to be confined to baccalaureate programs until a ratio of one-third of the graduates from practical nurse programs, one third from associate degree/diploma programs and one-third from baccalaureate programs is achieved. At that time, proportionate increases at the different levels would be acceptable, with the 1:1:1 ratio to be maintained.

The recommended policies were reviewed by other HECB advisory committees and staff.

The Advisory Committee on Health Education voted the support of the recommendations of the Advisory Committee on Nursing Education subject to the same reservations about the adequacy of demand data. It also reaffirmed its support of a study of nurses graduating at different educational levels as a tool for future planning.

The committee called attention to an implication in policy number one; that is, educating to maintain an equilibrium between supply and demand. This policy might have broader implications if an attempt were made to extend the policy to other health occupations.

The Curriculum Advisory Committee voted to receive and transmit the committee report to HECB for action, with an added comment concurring with the Advisory Committee on Nursing Education's reservations regarding the adequacy of demand data.

During the discussion some questions were raised regarding documentation of the need for a doctoral program, but no formal recommendations were made regarding that issue.

The policies follow, as amended by the Board. They are intended to serve as guidelines for statewide planning and as a frame of reference in reviewing the nursing education programs proposed by individual educational institutions. Individual programs may seek flexibility in application of the guidelines to meet documented needs, consistent with statewide policy.

I. **Nursing education policies of the HECB should be designed to help meet the needs of the state for nurses by maintaining an approximate equilibrium between supply and demand for nurses in Minnesota. Projections and policies will differentiate between baccalaureate, associate degree/diploma and licensed practical nurses.**

Rationale

Minnesota's citizens have the right to receive adequate nursing care; students have the right to a reasonable chance of finding a job when they graduate; employers have the right to a reasonable amount of choice in hiring. To achieve these three conditions simultaneously, numbers to be graduated in a given year at each educational level should be planned in relation to the expected demand for new graduates for that year. To allow unplanned production of nurses, regulated only by student desire to enter programs, would lead to alternating periods of oversupply and shortage of nurses. This would work hardships either on the graduates who are unable to find jobs in periods of oversupply, or on the employers who are unable to fill openings and on the citizens who suffer from inadequate nursing service in periods of shortage.

Data Base/Methodology

At present the demand for nurses shall be projected as follows. The demand for baccalaureate, associate degree/diploma and practical nurse graduates shall be estimated by apportioning one-third of the total number of needed graduates to each of the three educational levels. The total number of graduates needed shall be estimated as the number needed to maintain a supply equal to the demand for nurses projected according to the methodology described in Planning Report 11. This methodology is recognized as severely limited because it fails to differentiate among nurses either by RN/LPN licensure or by educational preparation. However, it is the most acceptable predictor of undifferentiated demand that is presently available for our use.

In an effort to improve its ability to determine demand by educational level, the Advisory Committee on Nursing Education has requested educators at each level to provide the committee with their definitions of nursing practice. When this work is completed, the more highly refined delineation of differences among graduates should help employers identify their service needs more easily in terms of level of preparation. This, in turn, will facilitate keeping educational production responsive to need at each level.

It is hoped that other more extensive research into service and education needs will improve still further the state's ability to identify and meet nursing needs.

II. **By 1980, the statewide ratio of graduates of programs at the different levels of nursing education should be one-third RNs with baccalaureate degrees, one-third RNs with associate degrees or diplomas, and one-third LPNs.**

Rationale

a. The ratio of all RNs to LPNs licensed to practice in Minnesota is approximately two-to-one. The ratio of graduates of programs preparing RNs to those preparing LPNs in 1975 was also about two-to-one. It was the consensus of education and service representatives that this ratio of RNs to LPNs be maintained.

b. The division of the two-third RN segment into equal portions of one-third baccalaureate and one-third associate degree/diploma graduates is based on the consensus of educators and service representatives that a sharp increase in the supply of baccalaureate nurses is needed as soon as possible. The choice of one-third each was an estimate of what might be feasibly produced within the next few years with present educational resources. It is expected that the ratio will be changed as more sophisticated projection methods are developed and as educational resources increase.

c. Associate degree and diploma graduates are grouped together because neither of these groups is prepared to perform the specified baccalaureate nursing functions for which the need has been identified by nursing service and educators.

III. **Graduations from baccalaureate nursing programs should be allowed to increase (subject to the criteria regarding geographic distribution and career mobility, policies 5 and 6 below) until the statewide total of graduates of baccalaureate programs reaches a level of one-third of the total of all nursing graduates. At that time, if it is consistent with statewide needs, the associate degree and practical nurse programs may expand in proportion.**

Rationale

The two-year moratorium on growth of nursing programs served its purpose in having a run-away unplanned growth that threatened to produce an oversupply of nursing graduates. The representatives of the nursing community recommended that a limited growth guided by the nursing education policies now take place.

a. The policy of increasing baccalaureate graduates from 1975's 20 percent to 33⅓ percent in 1980 responds to a number of needs in the state:

(1) Growing complexity of health care requires more nurses with more advanced theoretical education and leadership skills. By 1980 the nationwide demand for baccalaureate nurses will be more than twice what it was in 1974, according to a prediction of the Division of Nursing of the U.S. Public Health Service.[4]

(2) The expansion of health services into community settings means that more nurses will be needed for independent functioning; associate degree, diploma and licensed practical nurses require more supervision.

(3) The passage of the Community Health Service Act (Minnesota 1976) means that more Public Health Nurses will be needed. Baccalaureate preparation is required for public health certification.

(4) Baccalaureate preparation is recommended by the Minnesota Board of Nursing for practical nurse faculty; in 1974, 50 percent of Minnesota's practical nurse faculty members were prepared at less than the baccalaureate level.

(5) A baccalaureate increase would increase the number with the basic education needed for going on to graduate study.

b. There are many self-limiting conditions, i.e., lack of qualified faculty, limited availability of clinical facilities, budgetary restrictions, etc., which would serve as natural inhibitors of baccalaureate growth, keeping it within reasonable limits.

c. High placement rates for recent graduates and numbers of vacancies suggest that some increase in the number of graduates would be appropriate to alleviate the problems of underservice and maldistribution. (See Appendix D).

d. It is estimated that under a policy of controlled growth practical nurse graduates would remain at about the 1975 level of 1134, and associate degree/diploma combined would reach about 1155 as diploma programs scheduled to close do so. The growth of baccalaureate programs is expected to go from the 1975 level of 634 to about 960 by 1980 if all the expansions and new programs now being planned get under way. This would leave room for about 3425 graduates at the three levels by 1980.

e. The way that increased total number of graduates affects the demand for nurses should be monitored closely and re-evaluated in the 1977 review of educational policies.

Data Base

Analysis of the following data should provide the basis for judging whether the current rate of graduations are adequate for meeting the demand for nurses in the state.

1. Board of Nursing list of graduates of each school by year.
2. Board of Nursing data on RN/LPN licensure.
3. Health Manpower Information System data on educational preparation of nurses employed in licensed facilities (when available).
4. Health Manpower Information System (Minnesota Department of Health) and Job Openings Labor Turnover (Minnesota Department of Employment Services) data on budgeted vacancies.
5. Placement data for nursing programs to be collected by programs in fulfillment of Board of Nursing requirement. See Appendix D.

IV. No new hospital-sponsored diploma nursing programs which prepare students to become RNs should be approved. Existing programs shall not increase numbers of graduating students.

Rationale

Diploma programs have been closing because hospitals can no longer afford to subsidize the diploma nursing programs.

Diploma graduates have traditionally faced major obstacles in attempting to obtain academic credit for educational experiences obtained in a hospital-based nursing program.

The National League for Nursing has recommended that programs educating for the profession of nursing be associated with collegiate institutions and the American Nurses Association recommends that they be based in institutions of higher learning. This will ensure a broader educational base in the liberal arts and will facilitate educational mobility.

A policy restricting the expansion of diploma programs, then, is a recognition of an actual state of affairs and a reflection of state and national trends. It is not to be interpreted to suggest the closing of the four existing diploma programs in Minnesota that are still enrolling new students.

V. In reviewing applications for new and expanding nursing education programs, preference should be given to proposals that further equitable geographic distribution of educational opportunities throughout all the health planning regions in the state.

Rationale

This policy gives recognition to the need to address the problem of maldistribution of nurses. It is not intended to convey that only outstate areas be considered in decisions regarding locations of new or expanding programs, but rather that such areas be given preference.

Data Base/Methodology

Present distribution of programs and their numbers graduated. (See Appendix D).

Documentation of need for individual programs, consistent with regional planning.

VI. Nursing education programs that will expand opportunities for educational mobility should be supported. The impact of such programs on the ratio of levels of academic preparation of nursing personnel, and the impact on the size of the pool of working nurses shall be monitored.

Rationale

An increasing number of nurses are seeking more advanced education. Before the institution of career mobilist programs, nurses were obliged to waste substantial time and money repeating portions of their education. It is now possible for them to move through more rapidly. Such opportunities should be made more widely available. If they are located in areas of registered nurse shortage, they can be expected to relieve some of Minnesota's maldistribution problem.

While the expansion of opportunities for nursing personnel to obtain educational mobility is valued and supported, this policy is not intended to suggest that all new or expanding programs must have a major focus on educational or career mobility.

The monitoring of the impact of mobilist programs on the ratio of levels of academic preparation is intended to insure that recommended ratios can be changed appropriately if substantial numbers move from the nurse pool at one level into higher level educational programs. The numbers of nurses returning each year to avail themselves of educational mobility opportunities are growing rapidly, and if the growth continues at the same rate it could have a dramatic effect on the size and composition of the total work force.

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[4] American Nurses Association. *Facts About Nursing*. Kansas City, Mo. 1976.

VII. In order to alleviate the critical shortage of nurses with graduate preparation, nursing education opportunities at the graduate levels should be increased through the expansion of existing programs and the opening of new ones.

Rationale

Nurses prepared at the master's and doctoral level play an important part in responding to the increasing demands of the public for improved quality and cost-effectiveness of health care. Nurses with graduate preparation are essential both in nursing services and in the education of nurses.

A. Master's Program:

1. Nurses with master's level preparation are needed for a variety of roles in the provision of health care:
    a. To provide direct nursing care to some patients whose health care is highly complex, requiring clinical knowledge learned at the master's level. These nurses are also needed to assist both patients and their families in coping with physiological and emotional stress resulting from acute illness and the complex technology of its treatment.
    b. To supervise and organize the many levels of hospital staff, including those who are and those who are not academically prepared, all of whom are expected to deliver safe, cost-effective patient care.
    c. To direct nursing services in large and complex health care facilities.
    d. To provide continual education to nursing staff in both clinical and supervisory skills. Rapid changes in health care require improved in-service educational methods to assure safe patient care and cost-containment.
2. In nursing education, master's preparation is an important faculty qualification if the high quality of programs is to be assured.
    a. Minnesota Board of Nursing rules and regulations governing approval of schools of nursing specify that all faculty of baccalaureate programs should have master's degrees. The educational qualification for directors of all RN-preparing programs (including associate degree and diploma as well as baccalaureate programs) is considered by the Board of Nursing to be a master's degree.
    b. The National League for Nursing accreditation criteria for RN-preparing programs includes graduate preparation for faculty members (see Appendix D). Those programs that do not meet this criterion have their accreditation in jeopardy.
    c. In 1975, 57 percent of the faculty of Minnesota's RN-preparing programs did not hold a master's degree.
3. Research skills acquired at the graduate level helps the nursing profession:
    a. meet present health care delivery needs by monitoring the level of quality care delivered today as related to cost effectiveness.
    b. to project future needs based on systematically-collected data as well as based upon models of health care delivery with testable objectives.
    c. to communicate the existing body of knowledge to those they teach and to contribute significantly in developing more effective implementation.
4. Access of Minnesotans to graduate programs close to home will increase the likelihood of graduates remaining in the state when they complete their educations. At present the two master's programs at the University of Minnesota are unable to accommodate all qualified applicants. The University School of Nursing graduated 29 in 1976 and expects to graduate about 40 in 1977 and the Program in Public Health Nursing in the School of Public Health graduated about 25 with master's degrees in 1976 and will graduate about 30 in 1977.

B. Doctoral programs:

1. Nurses with doctorate preparation are needed as deans, directors, and consultants in state health service agencies and educational institutions to provide leadership and a high level of clinical nursing competence and innovative teaching strategies, based on research, which reflects the changing health needs of society.

    Skills developed at the doctoral level enable nurses to:
    a. develop and test theories on which to base innovations in nursing care that result in improving quality care and cost-effectiveness;
    b. develop and test innovative teaching-learning effectiveness;
    c. contribute to creative planning with health professionals to help meet the changing health needs of society;
    d. initiate and develop research related to improving teaching strategies, quality nursing care, and administrative and consultative skills and knowledge.
2. Research skills acquired at the doctoral level enables nurses to:
    a. provide documentation of base-line data to assist with such needs as analysis of procedures, comfort-care measures, assessment of needs of persons (or families) with special illnesses, prediction studies on staff needs in institutions, etc.;
    b. identify patient care needs to assist them in achieving greater responsibility for their own health care through selection and utilization of health care resources;
    c. contribute to the expanding body of health care knowledge.
3. Nursing Education:
    a. The current National League of Nursing Criteria for Appraisal of Baccalaureate and Higher Degree Programs in Nursing (1972) call for faculty that have graduate preparation in the area of responsibility. This is interpreted by the NLN as a minimum of a master's with completion of substantial work toward a doctorate.
    b. The American Nurses Association recommends that some faculty hold doctoral degrees, with advanced preparation in the administration of schools, in curriculum development, and in teaching methods.[1]
4. The nearest doctoral programs in nursing are at present in Denver, Kansas City and Chicago. A doctoral

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[1] ANA, *Standards for Nursing Care*

program in Minnesota would increase the likelihood of graduates staying in the state.

VIII. The numbers being graduated from individual nursing education programs each year should be consistent with statewide planning policies and should be subject to HECB review.

Rationale

The cooperation of individual programs is essential for achievement of statewide goals. It is the responsibility of each program to determine what its enrollment should be, depending on its own attrition rates, in order to approximate the desired number of graduates.

While previous policies spoke to entry level positions, present policies are in terms of graduations. Previous policies did not take into account the attrition rates in nursing programs which can have a profound affect on the annual number of graduations. (Attrition rates vary greatly among programs for a variety of reasons including program level, student characteristics, etc.)

Individual programs will need to determine their own attrition rates and consider these in adjusting admission policies, budgeting, etc.

Data Base

Board of Nursing data on annual graduates.

Program attrition rates.

IX. The Advisory Committee on Nursing Education should continue to review nursing education policies annually and make recommendations to the HECB for keeping the policies responsive to nursing education needs of the state.

The ACNE should continue its efforts to improve its effectiveness in recommending policies that will keep the education of nursing in step with demand.

Rationale

The representative composition of the Advisory Committee on Nursing Education, and its acceptance in the nursing community as a neutral body which does not favor the special interests of any particular segment of the community, place the committee in a position to obtain necessary information, to assess nursing education needs and to develop strategies for meeting those needs, with good expectation of growing acceptance for HECB's educational policies.

AGRICULTURE EDUCATION

A continuing assessment of manpower demands for agricultural graduates is needed at all levels of education. Also, a more precise delineation of the kinds of jobs for which graduates are prepared and in which they can be expected to perform with success is needed.

The agriculture industry, like our society, is in constant change. Agricultural occupations change in both character and location. In this fluid environment, it is critically important that a continuing assessment of manpower needs be made to assure a supply of appropriate educational programs and adequately educated people.

There is a need for improving the articulation and coordination among the various levels of agricultural education in Minnesota. Policies and guidelines need to be established by the appropriate governing bodies to assist prospective students and the public to better understand the scope of educational programs and the occupational opportunities resulting from such programs. These policies, guidelines and procedures should be developed so that students can use a combination of educational programs at various educational levels to reach their educational and occupational goals.

To make best use of resources, to effectively and efficiently meet the needs of students and industry, and to avoid inappropriate and unwarranted duplication and overlapping of programs and courses, it is most important that policies, guidelines and procedures be developed and actions taken to assure effective articulation and coordination.

The Board has been involved with the development of the Minnesota Council for Coordinating Education in Agriculture (MCCEA), an association which includes the support of educational governing boards as well as of the MHECB through appointment of representatives for the respective boards by their chief executive officers. After careful study of the Council's request for formal recognition by the Board, the MHECB acted on June 24, 1976 to formally recognize the Council as a voluntary congress of Minnesota's educational institutions, agencies, and related organizations with legitimate concern for coordination of agriculture education.

CHAPTER VI: PRIVATE COLLEGE CONTRACT PROGRAM

Education in the United States derived originally from the efforts of private charitable institutions. As governments recognized the need for an educated citizenry and as costs of education increased, the primary responsibility for providing education was increasingly assumed as a governmental function. In elementary and secondary education this responsibility was exercised predominantly by local government, and somewhat later in the history of the country the individual states assumed the responsibility for providing higher education.

Traditionally, the establishment and financing of public post-secondary institutions were the only means used by the state to provide post-secondary educational opportunities to develop an educated citizenry. Alternatives for providing post-secondary education were limited to such considerations as the number of public institutions which should be established or financed by the state, where such institutions should be located, what type of institutions they should be, and how much the state should invest in the support of these institutions. Little serious consideration was given to other possible means of fulfilling the state's responsibility for post-secondary education. While post-secondary education in Minnesota always has been recognized as a primary responsibility of the state, privately controlled colleges shared this responsibility even before Minnesota was a state.

Passage of legislation authorizing a state scholarship program by the 1967 Legislature recognized the facts that (1) simply providing public institutions of post-secondary education was not sufficient for fulfilling the state's responsibility to make post-secondary education available to all Minnesota residents who can and should benefit from education beyond the high school, and (2) the state's interest in post-secondary education must be more pervasive than an interest in maintaining public institutions. In providing that a state scholarship recipient could attend either a public or a private higher education institution in Minnesota, the 1967 Legislature also recognized the fact that the state can appropriately provide post-secondary educational opportunities for its residents in other ways. Action of the 1969 Legislature appropriating funds for state grants-in-aid, as well as increasing the appropriation for scholarships for students attending both public and private colleges and universities, represented increased effort reflecting recognition of these facts.

ESTABLISHMENT OF THE PROGRAM

A more dramatic step was taken by the 1971 Legislature with the passage of the Private College Contract Program. Based on the recommendations of a study funded jointly by the state and the Bush Foundation, the Board recommended and the legislature concurred that it was in the long-range interest of the state to contribute to the continued viability of a private post-secondary education sector in Minnesota.

The Private College Contract Program was conceived at a time when the proportion of needs served in private post-secondary institutions was declining. The program, as a consequence, was designed to provide an incentive to private institutions to educate an increasing proportion of Minnesota residents by paying them $500 for each additional Minnesota resident enrolled over the number of Minnesota residents enrolled in 1970. In addition, the Private College Contract Program would pay for each state grant recipient enrolled. This was an effort to encourage private institutions to serve more low income students thereby increasing accessibility and opportunity for Minnesota students from low income families. Under this program, the private colleges have responded positively to the incentives provided. Some have made significant increases in the number of Minnesota residents enrolled, and many also are serving an increasing number of low income students who are recipients of state grants-in-aid.

In recent years, however, circumstances have changed with some public institutions experiencing enrollment declines. While this phenomenon suggests that the incentives to encourage private colleges to enroll increased numbers of Minnesota residents should be modified, it does not undermine the overriding purposes of the Private College Contract Program. The private college sector in Minnesota remains a valuable resource. Private colleges continue to serve the needs of Minnesota residents and the continued viability of the private sector is a matter of concern to the state. As all post-secondary institutions adjust to enrollment shifts caused by altered demographic conditions, private institutions are confronted with adjusting to two additional economic conditions. The combination of inflation and recession has caused a dramatic change in the value of endowed funds and other institutional investments which have been relied upon for both direct expendable income and for indirect support for operating deficits. The combination of these factors compels private institutions to increase the direct costs to students at a rate greater than increases to students in the public sector. Without compensatory measures these conditions draw attention to the risk that all but the most affluent private institutions will either close or become enclaves for the very rich.

In its report to the 1975 Legislature, the Board observed that changing post-secondary enrollment patterns indicated that the focus of the Private College Contract Program should be shifted from the previous emphasis on accommodating increasingly larger numbers of Minnesota residents. The Board proposed that the 1975 Legislature approve a new basis of payment designed to provide incentives for private colleges and universities to continue their current level of service to Minnesota residents and to continue service to students from low income families. The 1975 Legislature approved the Board's recommendation and authorized payment in the amounts of $120 for state residents enrolled in two-year institutions, $150 for state residents enrolled in four-year institutions and $400 for state grant-in-aid recipients in two-year institutions and $500 for state grant-in-aid recipients in four-year institutions. The appropriation for Fiscal Year 1976 of $3,200,000 was sufficient to make payments in amounts equal to approximately 70 percent of the amounts authorized under the new formula. The appropriation of $4,000,000 for Fiscal Year 1977 was sufficient to make payments in the full amount authorized by the new formula but just barely so. The Board judges the present terms of the program to be appropriate with adequate levels of funding.

> **Accordingly, the Board recommends that the change in the Private College Contract Program approved by the 1975 Legislature be continued and that the 1977 Legislature provide appropriations in the amounts of $4,719,950 for Fiscal Year 1978 and $5,087,450 for Fiscal Year 1979.**

The budget recommendations for the program reflect the Board's estimate of the amount required to continue payment in the full amount authorized by the formula during next biennium.

CHAPTER VII: INTERSTATE RECIPROCITY

Authorization to enter into reciprocity agreements with neighboring states was one of the first responsibilities assigned to the Higher Education Coordinating Board by the legislature. This came as a result of the legislature's recognition that opportunities for post-secondary education can extend beyond state boundaries and that historically states tended to develop systems of post-secondary education unilaterally without regard to the post-secondary education facilities and programs in contiguous states.

Development and implementation of higher education reciprocity agreements have required diligent and continuous effort over a long period. Progress has not always been as rapid as desirable and the timing and nature of agreements have varied according to the particular interests and concerns of the participating states. A very limited agreement with Wisconsin was initiated in the fall of 1969 but the Wisconsin arrangement was not made comprehensive until the fall of 1973.

The Board was successful in obtaining and implementing a reciprocity agreement with North Dakota subsequent to the 1975 legislative session. The North Dakota agreement, which was implemented for the 1975-76 academic year, has been continued for 1976-77. The North Dakota agreement is comprehensive in that it includes all institutions with the exception of area vocational-technical institutes.

The continuing desire of Minnesota residents to enjoy the benefits of reciprocity agreements is reflected in the fact that some 4,200 Minnesota residents were attending Wisconsin institutions under reciprocity and 1,950 full-time equivalent Minnesota students were registered in North Dakota institutions in the fall of 1975. More encouraging prospects for completing agreements with both South Dakota and Iowa have emerged in recent months. The South Dakota Board of Regents has taken action in favor of an agreement with Minnesota and is seeking legislative support. Conversations with officials in Iowa indicate increasing interest although no formal action has been reported.

Although some difficulties have to be overcome in any new venture, implementation of the agreements with both North Dakota and Wisconsin has gone well and is increasingly effective. The Board will pursue appropriate adjustments in implementation to assure continued success in these agreements.

The Board also proposes to continue in its pursuit of satisfactory agreements with both South Dakota and Iowa with a view to implementation of a reciprocity arrangement with these states at the earliest feasible date.

CHAPTER VIII: REGIONAL PLANNING AND COORDINATION

The residents of three regions of Minnesota are experiencing increased opportunities for post-secondary education as a result of cooperative efforts stimulated by the action of the 1973 Legislature.[1] In establishing regional post-secondary education centers in Rochester, Wadena and the Iron Range, the legislature requested that the Board and interested institutions determine whether improvements in efficiency and effectiveness in meeting regional needs could be accomplished through increased inter-institutional cooperation and coordination of programs and planning within a specific geographic region.

In accordance with the enabling legislation and the guidelines provided by the Board, the regional centers have been charged with five major objectives. The legislation assumed that many residents within these regions had needs for post-secondary education which were not being met; thus, the centers are attempting to make all levels of post-secondary education more accessible for these citizens. Since institutional efforts may overlap in some areas, the centers are requested to identify and eliminate any unwarranted duplication of effort within their respective regions through cooperative planning. In accordance with the statewide objective of making possible more effective use of existing post-secondary education facilities and resources, the regional coordinators are attempting through cooperative planning to focus institutional resources in ways to better meet established and projected regional needs. The centers also are designed to provide more effective liaison between regional planning and coordination in post-secondary education with other regional planning and coordination activities. Finally, the regional coordinators are attempting to explore the means for accomplishing increased inter-institutional cooperative efforts to further extend institutional services in their respective regions.

As they have developed, the centers have emerged as brokers or intermediaries between individual citizens and groups of interested residents and institutions of post-secondary education. The centers are not designed to be institutions or to grant degrees but rather to rely on the resources of existing institutions to offer instructional services, evaluate and transfer credits, and to grant degrees and certificates. The staff of the centers have been most active in developing information and data on the needs of residents, in fostering improved cooperative planning, in increasing the efficiency of the delivery of instructional services, and making easier improved communications between the residents of the regions and the staff and faculty of post-secondary institutions.

Based upon available data as well as interviews with students and citizen leaders, it is increasingly apparent that the centers and participating institutions are meeting the challenges issued by the 1973 Legislature and are demonstrating that increased services to these three regions can be more effectively and efficiently delivered through cooperative efforts.

The regional centers in Wadena and Rochester opened in the fall of 1973 with the Range center following in the spring of 1974. Tables 14, 15 and 16 show the comparative data on headcount enrollments and credit courses offered in each of the three regions from the opening of the centers through spring 1976. While growth is represented for each regional area during this period, it must be emphasized that meeting existing needs and avoiding unwarranted duplication are equally important to the missions of the centers. Thus, it is significant that while there has been a substantial increase in the number of headcount enrollees in the regions, the rate of

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[1] *Laws of Minnesota 1973*, Chapter 768, Section 14, Subd. 7

TABLE 14

COMPARISON OF CREDIT COURSES AND HEADCOUNT ENROLLMENT IN IRON RANGE REGION IN 1973-74 AND 1975-76

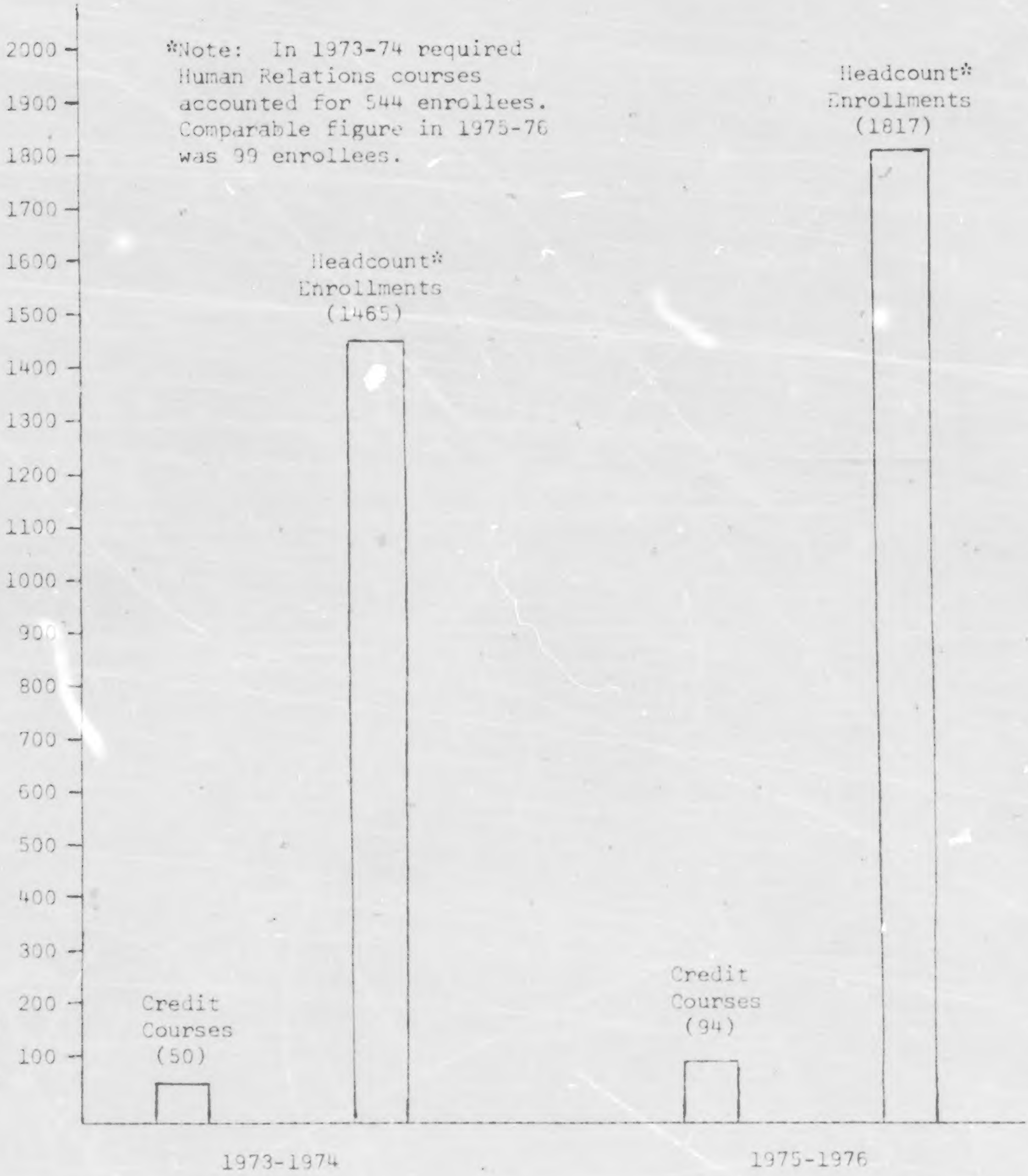

TABLE 15

COMPARISON OF CREDIT COURSES AND HEADCOUNT ENROLLMENTS IN ROCHESTER IN 1973-74 AND 1975-76

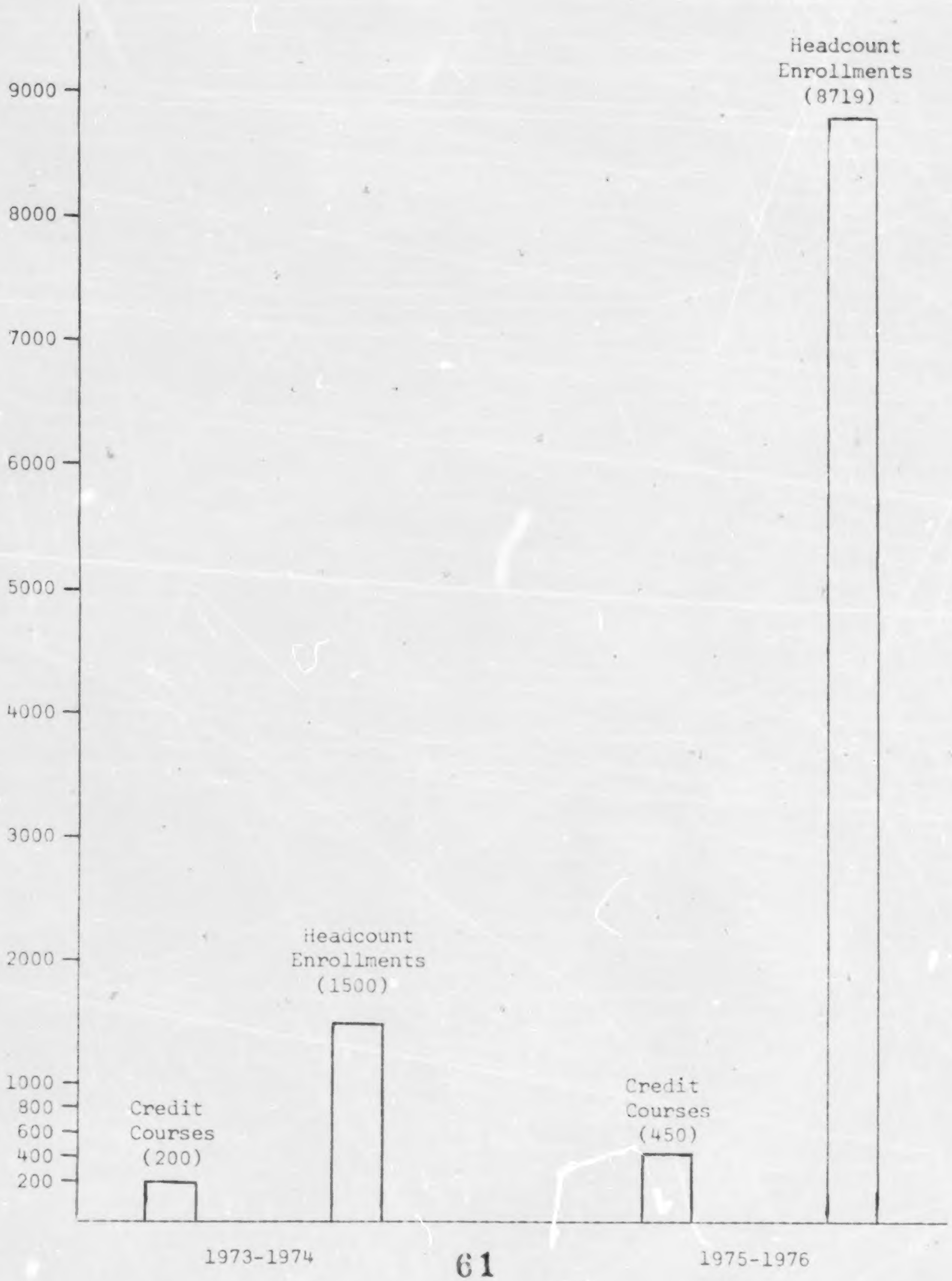

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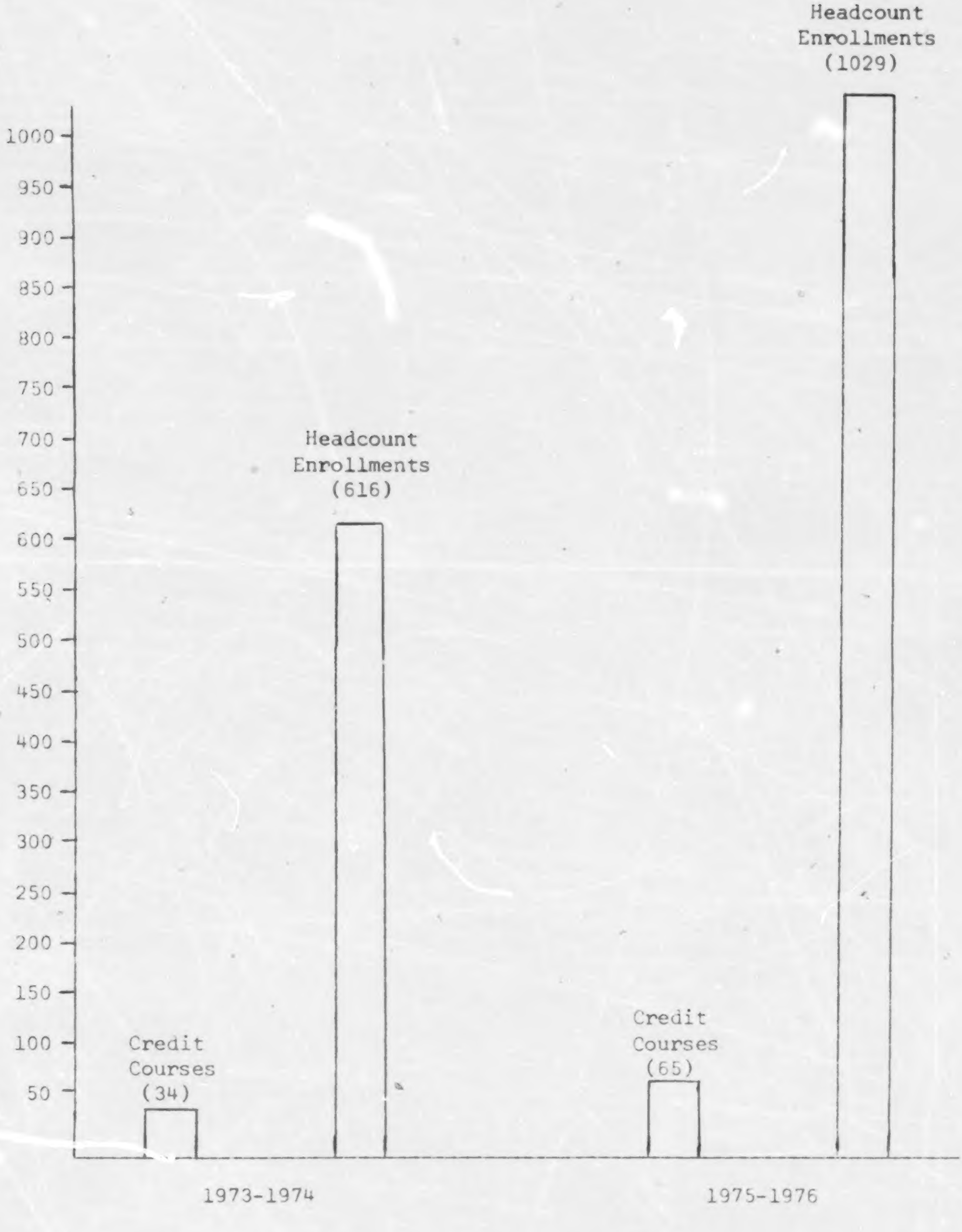
TABLE 16

COMPARISON OF CREDIT COURSES AND HEADCOUNT ENROLLMENT IN WADENA REGION IN 1973-74 AND 1975-76



increase in credit courses has been somewhat less. Since the fall of 1973, an increase of approximately 7,995 headcount enrollments has occurred in courses offered by participating institutions in these three regions. Of these, it is estimated that between 5,000 and 6,000 were the result of the cooperative institutional efforts, better planning, more widespread advertising and improved student advising fostered by the regional centers. During the same period the proportion of non-education (teacher training) courses has increased in each of the regions, resulting in a broadening of curricular opportunities for those residents who wish to pursue degree or certificate programs in fields other than education. Within the past year individuals who began work on degree programs in 1973 and 1974 have begun to complete their programs, and the number of these individuals appears to be growing in each of the regions with each succeeding term.

One indicator of local support for cooperative efforts is the extent to which financial support is generated for the continuation and enhancement of these activities. Table 17 is a summary of grants, subsidies and gifts to the three regional centers from 1973 to the summer of 1976. The total of $267,178.06 represents significant support for the efforts of the regional centers by individuals, organizations, and institutions in the regions. It takes on additional significance when it is recognized that only a small portion of this total has been used to support personnel, and the remainder has been allocated directly to the improvement of educational services in the areas.

TABLE 17

GRANTS, SUBSIDIES, AND GIFTS TO REGIONAL CENTERS 1973 - 1976

Center	Space & Equipment	Grants & Gifts	Total
Wadena	$22,488	$ 39,852.56	$ 62,340.56
Rochester	$30,000	$101,400	$131,400
Iron Range	$23,437.50	$ 50,000	$ 73,437.50
TOTALS	$75,925.50	$191,252.56	$267,178.06

A special note should be made of the services which have been available as a result of the use of a grant from the Iron Range Resources and Rehabilitation Commission to the Iron Range Center. The task force advising on the activities of the center has advocated that a major portion of the grant be used to selectively support portions of those activities which would meet immediate priority needs or stimulate the development of additional services required to enhance educational opportunities for residents of northeastern Minnesota.

Since the receipt of the grant, the proceeds have been used to subsidize such diverse activities as accessibility to a video tape self-study program for professional engineers, a coordinated effort to improve in-service training for Native American teacher aides on the Nett Lake Indian reservation, the development of an industrial technology program and accessibility to preparatory courses for the master's program in business administration. These activities have included several of the institutions participating with the Range center and in each case the maximum subsidy has been that portion of the total expense that the participating institutions have not been able to meet either through tuition income or available institutional funds. The experience with these limited funds at the Iron Range center has demonstrated clearly that important services can be stimulated and delivered with the availability of modest subsidies. On the basis of both institutional and client satisfaction with this approach, it is the Board's judgment that minimal discretionary funds should be available for each of the regional centers to continue to stimulate the development and improvement of the types of services which have been possible in the Range center as a result of the IRRRC grant.

After a careful examination of the available data and discussions with representatives of the citizens who have been favorably affected by improved services in the regions in which the centers are located, the Board is convinced of the merits of the activities to date and the desirability of continuing to enhance the opportunities for residents of these three regions. Based upon the experience of the past three years, it is apparent, however, that continued improvement is dependent upon the availability of at least minimal staffing for each of the centers (a coordinator, student adviser and secretary) and for continued support for the related aspects of the budgets of participating institutions combined with the availability of minimal discretionary funds for each regional center.

> **Thus the Board recommends that the state continue to provide coordination expenses for the three existing regional centers (Iron Range, Rochester and Wadena) and that public and private institutions be requested to continue their cooperation with these activities. To sustain planning and coordination with these activities, an appropriation of $189,071 for 1978 and $197,148 for 1979 is requested. Costs for institutional cooperation and services (including donated space) should be assumed to be part of the request of participating institutions.**

Within each of the three regions currently served by regional centers, significant progress continues to be made in the transfer and acceptance of credit among the participating institutions. To best serve the needs of current and prospective students in these regions, this progress must be continued and enhanced and both encouragement as well as support must be offered for a continuation of this process.

> **Thus the Board recommends that institutions participating in the regions served by the centers be encouraged to continue expansion of the transferability and acceptance of credits earned from offerings under the aegis of such cooperative efforts.**

CHAPTER IX: MINITEX

The Minnesota Inter-Library Telecommunication Exchange (MINITEX) attempts to make all library resources as accessible as possible by promoting and making easier the use of existing resources.

The program is based on the assumptions that no library can be self-sufficient or responsive to all user demands individually. MINITEX supplements local resources and enables libraries to provide service which would be difficult to offer independently. It also involves local libraries as active participants in regional developments and in direct contact with other library networks in the nation.

Cooperative decisionmaking means expanded, improved, and more efficient and economical library services are possible. In times of cost escalation, insatiable user demands, uncertain funding, and the literature/information explosion, cooperative use and planning are essential to make judicious use of available funding.

A diagram of the MINITEX program is provided below. Using the services developed through the MINITEX program, most of the major library resources available in the state and listed on the right of the diagram are made accessible to the many participants in the MINITEX program listed on the left of the diagram.

The program provides the communication network to make sharing easier, expedite out-of-state inter-library loans, and aid in the ordering and processing of materials.

The primary value of MINITEX has been its contribution to quality education in Minnesota. About a third of the academic faculty members outside the University of Minnesota's Twin Cities campus have used the service to prepare their course presentation. Additional faculty use has aided ongoing scholarly research or writing. Students have been allowed to pursue projects which are of primary interest and have become increasingly aware that information is available (identifiable and accessible) on almost any subject. Nationwide there has been a shift to independent study, and adaptation to this trend simply would not have been feasible in Minnesota without the comprehensive research backup provided by the University library resources.

Funding by the 1971, 1973 and 1975 Legislatures has enabled the development of a teletype custom service library program for academic institutions in Minnesota, providing access for students and faculty at most post-secondary institutions. Access is provided to other Minnesota citizens through their regional public libraries with this portion of the program supported by state and federal funds (LSCA Title III) and administered by the Office of Public Libraries and Inter-Library Cooperation, State Department of Education.

In addition, reciprocal agreements with the Wisconsin Inter-Library Service (WILS), Center of Research Libraries, the Midwest Health Science Library Network and North Dakota make their resources available to Minnesota libraries. In this system of sharing resources, an estimated 320,000 items will be processed during the 1978-1979 biennium.

The Minnesota Union List of Serials (MULS) is a continuously updated list of periodicals, titles and holdings of the major Minnesota academic, state agency and public libraries. This machine-readable bibliographic data base is distributed quarterly to all participants. As a result of this service, many libraries have been able to discontinue their own union list, providing the opportunity for improving management efficiency while at the same time improving their knowledge for collection development decisions and service to library patrons. The program for MULS has achieved a national reputation for its effectiveness and serves continuously as a model for similar developments in other

PARTICIPANTS

7	State Universities
17	Private Colleges
6	University Campuses
18	Community Colleges
13	Area Vocational-Technical Institutes
24	Regional or Public Libraries
1	Private Reference Library
9	State Agency Libraries
29	Hospital Libraries
5	Seminary Libraries
3	Special Libraries
2	Federal Libraries
3	Post-Secondary Regional Centers
1	High School
	Wisconsin Academic and Public Libraries
	North Dakota Academic and Public Libraries
	Lakehead University (Thunder Bay, Canada)

RESOURCES

University of Minnesota
Private and Public Colleges
James J. Hill Reference Library
Metropolitan Public Libraries
Minnesota Historical Society
State Agency Libraries
Mayo Clinic and the
  Twin Cities Bio-Medical Consortium
Seminary Libraries
Midwest Health Science Library Network
Wisconsin Academic and Public Libraries
North Dakota Academic and Public Libraries
Center for Research Library
National Union Catalog
British Lending Library

SERVICES

Communication Network
Shared Resources/Document Delivery
Bibliographic Data Base (MULS)
Collection Development
Information/Reference Network
Continuing Education
On-Line Bibliographic Searching

states. It has been selected as the base of the National Serials Data program.

Most of the libraries participating in the document delivery service are connected by teletype and have almost instantaneous hard copy communication with MINITEX central office (University of Minnesota Wilson Library) and with each other. This communication network is used to do bibliographic searches using time shared systems, expedite local and regional sharing, order materials and acquire cataloging data, and when necessary interface with libraries throughout the United States for inter-library loans.

A statewide reference and information network provides toll free telephone service to library users where local resources cannot meet their needs. Reference queries are answered, materials are located and sent, or arrangements are made to use some special collection. On-line bibliographic searches can be negotiated in education, chemistry, agriculture, engineering, geology, business, psychology and medicine.

A viable sharing system, as well as the bibliographic knowledge of ownership and document usage patterns, forms the basis of a workable collection development plan. To alleviate impending storage pressures, monthly conference calls are held by serials librarians to insure against unnecessary gaps and duplications with individual libraries responsible for the binding, retention, and sharing of little used materials. A centralized periodical exchange program has provided 25,000 needed issues during Fiscal Year 1976. In addition, literally thousands of duplicates and withdrawn items were sent to MINITEX through the same system.

The success of the MINITEX program also has been an apparent catalyst for further inter-library activity within the state. For instance, while approximately 150,000 requests were processed through the MINITEX network in Fiscal Year 1976, it is estimated that through the use of the communications system, bibliographic data base and the delivery system of MINITEX, local, municipal and multi-state networks and consortia shared an additional 200,000 items.

> **Thus, in order that continuing service may be provided under the MINITEX program within the current mandate and level of effort, the Board recommends an appropriation of $450,000 for Fiscal Year 1978 and $450,000 for Fiscal Year 1979 to insure the continuation of statewide sharing of all types of libraries through the inter-library service and to maintain an updated serials data base. The budget request is based upon an estimated 160,000 requests per year at a per unit cost of $2.25.**

The low operating cost, overall efficiency, and comprehensiveness of services, resources and participation have provided Minnesota with one of the most effective inter-library networks in the country and one that is frequently cited by experts as a model for statewide and national development. The inter-library loan services have been operated for six years at approximately the same cost per unit ($2). During this same period the number of requests served has more than doubled, the number of participating institutions has also more than doubled, and the efficiency of the system has been significantly increased by virtually every reasonable measure. Given the inflationary increases during the same period in labor, supplies, transportation, and telecommunications, an increase in the cost per unit should be anticipated, particularly since MINITEX has operated at a cost per unit of approximately one-third the national average of inter-library loan activity. Based upon MINITEX staff calculations and the concurrence of the statewide MINITEX advisory committee, the Board concludes that the program is about to exceed the peak margin of efficiency and that in order to insure a continuation of services within the legislative mandate, an increase in the cost per unit to $2.25 must be anticipated for the 1978-79 biennium. During the coming biennium the Board has adopted the following goals for the MINITEX program:

1. To process 160,000 inter-library loan requests annually within a maximum of one week of the original request, 80 percent being within 24 hours.
2. To increase the scope and the library resources available to Minnesota residents by continuing to negotiate contracts with other neighboring states to provide for reciprocal sharing of library services and coordinated planning.
3. Complete the transition to an on-line bibliographic monograph data base for at least 30 post-secondary educational institution libraries.
4. To continue to monitor performance of the system in its use, maintenance and an updating of the serials data base for collection development decisions and for reference assistance.

Using the MINITEX program as a vehicle, the Bush Foundation in 1976 provided a grant of $216,066 to the Higher Education Coordinating Board. The grant has provided the opportunity for 30 libraries in Minnesota and North Dakota to acquire on-line bibliographic and cataloging capabilities through the services of the Ohio College Library Center (OCLC). The contract with OCLC for the next three years includes the opportunity for the voluntary participation of any other libraries in either state and therefore access to a data base which now includes nearly 2,000 libraries and nearly 3,000,000 holdings records. The significance of the Bush grant and other private grants to participating libraries is that they have provided the opportunity for the participating libraries to enter the system at the same time on a cooperative basis and to more fully share the benefits and efficiencies of the on-line system. The grants also have made it possible for both public and private institutions participating through these funds to plan for a budget transition over three years of participation rather than to encounter the personnel and management problems of an abrupt change.

During the past six years, through MINITEX, the library community in Minnesota has demonstrated that it can effectively work together and that sharing resources is not only possible but mutually beneficial. Furthermore, the community has demonstrated its ability to lead the way nationally and produce a common bibliographic record of the highest order (MULS). Through reciprocal and contractual arrangements, library services and programs have been extended to include two contiguous states, Wisconsin and North Dakota. The general health of post-secondary education and the continued strength of independent research activities in both public and private institutions is in no small part dependent upon this ready access to library resources supported through the MINITEX program.

CHAPTER X: TRANSFER

The number of students transferring among Minnesota's post-secondary education institutions continues to increase each year. In fall 1974, for example, 6,770 students moved from one to another of Minnesota's post-secondary institutions.[1] In fall 1975, the total number transferring increased to more than 7,000 students. Altogether, almost 11,000 students in fall 1975 transferred from one of Minnesota's post-secondary systems and from out of state into a Minnesota institution.[2] Information on the systems from which students transferred in fall 1975 and the institutions to which they moved is contained in Appendix G.

Concerned about the transfer growth and related problems, the Higher Education Coordinating Board in 1973 initiated a statewide transfer study by a committee of representatives of each post-secondary system.[3] The Board in its 1975 report to the legislature published the findings of the statewide transfer committee and based on the findings proposed 10 recommendations aimed at improving student transfer among Minnesota institutions. The Board also recommended that to provide overall coordination and direction to alleviate transfer problems and to develop consistent transfer policies among institutions, "the Higher Education Advisory Council, using staff available to it through system and institutional offices, be assigned the responsibility for monitoring existing transfer policies and procedures and implementing the recommendations outlined in order to eliminate problems that currently exist."

The Coordinating Board suggested several other steps for the Higher Education Advisory Council to take and concluded by saying that the Council should "submit a report to the Board no later than August 1976 reviewing the progress made in the implementation of the recommendations and providing recommendations for desired changes in statewide policy for transfer. The Higher Education Advisory Council should report annually thereafter on the status of transfer in Minnesota institutions."

The Board said that "voluntary cooperation will be more effective in solving transfer problems and promoting the free flow of students than will legislative action that requires transfer among institutions and systems without regard to the unique and diverse characteristics of the institutions and programs."[4]

During the past biennium, an ad hoc task force on student transfer was convened at the request of the Higher Education Advisory Council. The task force surveyed its institutions regarding their response and adherence to the Board's 10 recommendations. The task force concluded that the problems of transferring students are largely individual. "Difficulties, where they arise, stem less from policy or disagreements with policy than from a lack of awareness about existing policy; our findings suggest a need for further improvements in communications about current policies and some ongoing inter-institutional dialogue about policy," the task force said.

At the Coordinating Board's July 1976 meeting, the Higher Education Advisory Council distributed copies of the task force report. The Council said that it concurred with the report. In August the Council reported "that transfer issues have been essentially resolved and the procedures worked out."[5] The Council said it would like the task force to continue monitoring transfer problems and to include a Coordinating Board staff member on the task force.

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[1] Minnesota Higher Education Coordinating Board, *Fall 1974 Post-Secondary Education Enrollment Survey*, (March 1975), pp. 235-238.

[2] Minnesota Higher Education Coordinating Board, *Fall 1975 Post-Secondary Education Enrollment Survey*, (March 1976), pp. 249-252.

[3] Minnesota Statewide Transfer Study Committee, *Transfer Policies in Minnesota Post-Secondary Schools. Report to the Minnesota Higher Education Coordinating Commission*, (1974).

[4] Minnesota Higher Education Coordinating Board, *Making the Transition. Report to the 1975 Minnesota Legislature* (January 1975), pp. 21-29.

[5] Minnesota Higher Education Coordinating Board, Minutes of August 26, 1976 meeting, p. 2.

REPORT OF THE HEAC TASK FORCE ON TRANSFER

Following is the report of the Higher Education Advisory Council task force. The report is in the form of responses to the Coordinating Board's 1975 recommendations:

1. **System offices should develop a special publication describing their policies and procedures regarding transfer into, out of, and within the institutions of the system and that this publication should be made available to all students interested in transferring within, into, or out of the system.**

   There are no system-wide handbooks, although each institution has its own publications. Attention has been devoted to clarifying questions, transfer regulations, and transfer publications; some handbooks have been published by individual institutions specifically for transfer students.

   The difficulties inherent both in preparing and perpetually updating system-wide publications may prove to be greater than their value. What seems most valuable would be a collection of materials for counselors (high school, AVTI, and college) which explains the general policies and identifies personnel equipped to respond to specific questions regarding any post-secondary educational institution. Each system office would be agreeable to submitting such data if requested to do so by the HEAC.

2. **In order to minimize administrative problems which were found to be a major complication in transfer among institutions, the institutions should instruct transfer offices to assign a high priority to the mailing of transcripts to receiving institutions so that transcripts are mailed within 48 hours of the time the request was submitted by the student.**

   All Minnesota institutions do attempt to issue transcripts within 48 hours after requests are properly filed.

3. **Transfer credits should be granted for courses where the earned grade is "D" when credit is granted for "D" grades for equivalent courses completed in the receiving institution.**

   The policies regarding "D" grades are not uniform and are a subject of some student complaint. Generally it is state institutional policy to accept credits/competences on the same basis for both regular and transfer students — i.e., if a program accepts a "D" grade in a major course requirement for regular students, it accepts a transferred "D" for the same requirement; if not accepted internally, such "D" grade is not accepted by transfer. There are some programs and institutions which treat transfer students' grades differently, usually based on assumptions that one program is different from or of higher quality than another program. It is hoped that student performance in any given subject matter will increasingly be the primary criterion for entrance into a program.

4. **Receiving institutions should accept an Associate in Arts degree as an equivalent to their own liberal or general education requirements.**

   This committee would reopen this issue, rather than report on adherence to the Higher Education Coordinating Board Task Force recommendation. The A.A. degree is differently devised, awarded, and regarded. Though the state universities generally recognize the degree as equivalent to the freshman-sophomore years if it has a prescribed general studies component, there are doubts about that policy. It may be that it would be better for four-year colleges not to have blanket policies concerning less-than-baccalaureate degrees in the admission of transfer students. Moreover, it may be that this should not be regarded as a transfer issue.

5. **Unsatisfactory grades earned several years previously should not handicap a student for either admission or graduation.**

   All institutions reported policies of evaluating differentially the admissions capabilities of students whose enrollment has been significantly updated. Some institutions ignore records more than one year old, others examine records on an individual basis; although old records are generally not punitively used they do occasionally provide the discriminating factor between two otherwise equal applicants.

6. **Each institution should designate an official to coordinate programs related to transfer students to maintain communication with other institutions, systems and statewide offices and develop a program whereby its faculty is systematically and periodically informed regarding problems related to the transfer of students into and out of that institution.**

   Each institution has identified persons responsible for coordinating transfer problems. However, we recommend that each system head designate one person as a central coordinator and that each such coordinator maintain a list of his or her system's campus transfer coordinators and actively promote solution of transfer problems. Further, we suggest that, as now occurs on several campuses, the campus coordinator have the name of one person in each department or program who is authorized to make decisions regarding student transfers. Ultimately much of this data may be included in the collection of materials recommended in Item One.

7. **Institutions are encouraged to develop inter-institutional agreements regarding the admission of transfer students and the acceptance of credits for specified academic programs in order to establish procedures that will minimize credit loss that results from unique programmatic requirements existing in different programs in different institutions.**

   Several agreements do exist, but we generally believe that decisions flowing from a climate of mutual respect and regard for one another's missions and programs is preferable to establishing more formal agreements. Inter-institutional communications are frequent in some cases, rare in others, but we are aware of no situation currently requiring formal agreements.

8. **Each institution should provide avenues and procedures for transfer applicants to appeal administrative decisions, and information regarding the availability of appeal and review**

should be communicated in the system-wide transfer publication.

Each institution has an appeal procedure. We would suggest that these procedures be published with other transfer information. Though there may one day be need for an inter-system appeal process, we identify no such current need.

9. **Special programs for disadvantaged and other groups should be extended to transfer students so that they might have the same advantages as any other new student entering the institution.**

We are aware of no policies or actions contrary to this recommendation.

10. **Undergraduate financial aid awarded by the institution should be made equally available to the transfer students.**

We are aware of no policies or actions contrary to this recommendation.

The Coordinating Board at its August meeting accepted the Higher Education Advisory Council Task Force Report on Student Transfer.

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CHAPTER XI: GUIDELINES FOR NONCREDIT INSTRUCTION

In its report to the 1975 Legislature, the Board recognized the increasingly important role of noncredit continuing education. The Board also recognized some of the inadequacies and deficiencies which exist when noncredit education is not recognized formally or when the recognition differs among post-secondary education institutions and other organizations involved.

In order to improve the situation, the Board recommended the implementation of a process for forming a statewide system for accounting for noncredit education. The recommendation was stated as follows:

> In an effort to better meet individual, institutional, and state needs for accounting for non-credit, continuing education, extension and inservice training activities, the Commission recommends that all institutions of post-secondary education work with the Commission staff to identify and implement a classification of measurement units based upon the nature of these activities. This process should also identify institutional responsibility for the maintenance of client and activity records and provide guidelines for access to these records.

The Board's advisory committee on community service and continuing education, which includes both public and institutional members, began working in accordance with the above recommendation soon after the end of the 1975 legislative session. The committee worked with the Board staff in reviewing developments at both the state and national level and solicited reactions from approximately 130 individuals and organizations to the continuing education unit and guidelines as developed by the National Task Force on the Continuing Education Unit. The advisory committee reviewed the responses and recommended that the Board adopt the National Task Force on the Continuing Education Unit proposal as a statewide policy guideline which could be applied generally and adapted to any institution or agent delivering noncredit post-secondary education within the state. The Board concurred with the advisory committee recommendation and offered the following recommendation:

> **The Minnesota Higher Education Coordinating Board, cognizant of the growing activity in noncredit post-secondary education and concerned with the need for both measurement units and participation records for these activities, recommends that any institution or agent delivering noncredit post-secondary education within the state for which units of participation are offered follow as a general guide the Continuing Education Unit and Guidelines as developed by the National Task Force on the Continuing Education Unit.**

The implications of adopting the guidelines may be summarized as follows:

1) Any organization, business, institution or individual planning to offer noncredit educational activity could have available a set of guidelines to apply in planning for the activity, providing recognition to participants, maintaining records for participation, and evaluating the results of the activity.

2) Individuals who participate in educational activities for which CEUs are offered should be assured that the basic guidelines have been followed in developing the activity, that time-based units of participation will be available, that there will be at least minimal records maintained for participation, and that an opportunity will be available to assist in evaluation of the activity.

3) The state, professional organizations, employers, and licensing authorities will be better able to understand the nature and extent of the educational activities offered and in terms of exposure be able to better understand individual participation in such activities.

4) All interested parties should be constantly reminded that the CEU system is founded on a time-based unit. Such a unit is **not** a qualitative measure of an individual's participation or a measure of content learned. Thus particular attention must be given to the limitations on awarding CEUs as outlined by the National Commission.

5) All individuals involved with CEUs should be aware that as a newly developed unit of measure, the guidelines for the CEU may be subject to revision and updating and those with experience with the system have an obligation to offer suggestions and comments which will enhance this process.

CHAPTER XII: MEETING OF POST-SECONDARY EDUCATION BOARDS

The 1976 Minnesota Legislature directed the Higher Education Coordinating Board to sponsor an annual meeting of member representatives of its board, the Higher Education Facilities Authority, the State Board for Community Colleges, the State University Board, the State Board of Education and the Board of Regents of the University of Minnesota. Purpose of the meeting was "to provide an opportunity for discussion of issues of mutual concern and to facilitate coordination and planning of activities deemed beneficial to higher education in this state." The law also stated that members of the Higher Education Advisory Council and any other person may attend the annual meeting at the invitation of the Coordinating Board.[1]

In accordance with the law, the Higher Education Coordinating Board sponsored a meeting on November 9, 1976 in St. Paul. The Board sent invitations to all members of the public post-secondary education governing boards, the Higher Education Advisory Council, Higher Education Facilities Authority and to representatives of private colleges and private vocational schools. Approximately 50 persons attended the meeting. (A list of those attending is included in Appendix H). Governor Anderson was invited but was unable to attend.

Suggestions for topics were solicited from the post-secondary education systems through the Higher Education Advisory Council. Suggested topics were post-secondary education in southwestern Minnesota, enrollments, structure and organization of Minnesota post-secondary education, student financial aids, legislative programs of the various post-secondary education agencies, student referral proposal, twelfth grade-duplication of the freshman year? and salaries of post-secondary education board executives.

Prior to the meeting, the Coordinating Board sent background materials on each suggested discussion topic to participants. These included a draft of the Southwest study report and the Board's recommendations, a report on fall 1976 enrollments and HECB enrollment projections, a description of each of the state's post-secondary education systems and the HECB, the Board's student financial aid recommendations and data on use and distribution of the aid programs, data on the budget requests of the public systems and the HECB, information on the Higher Education Advisory Council task force on post-secondary education information services, information on board executives' salaries and the HECB recommendation for a joint board committee on personnel policies.

Discussion at the meeting focused on four of the suggested topics — salaries of board chief executives, the Southwest study, the financial aid programs and the proposed student information service.

Several participants commented on the need for increased salaries for board chief executives and the need for a competitive salary structure in Minnesota. Several State University Board members noted the difficulties encountered by their search committee in recruiting a new chancellor due to the current salary structure. Criticisms were raised about the current practice in which the Personnel Board decides on proposed merit increases. Reference was made to the HECB motion of September 30, 1976 "that the Board recommend the appointment of a joint committee of members from the post-secondary education governing boards to consider personnel policies and to meet as soon as it can. It will include one member from each board." It was suggested that the HECB communicate this request to the various boards. It also was suggested that such a group include agencies outside of education.

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[1] *Laws of Minnesota 1976*, Chapter 217

Considerable discussion on the Southwest study took place. Participants debated the value of an institution with small enrollment to its community and region despite the relatively high cost of maintaining it. Several persons supported the value of a small institution and the importance of supporting services outstate; others questioned the high cost per student at Southwest State University and whether the state can afford it. State University Board Chancellor Garry Hays commented on his board's proposals to reduce the high per student cost at Southwest State and modify the program arrangement. Several participants wanted more information on the effects of financial incentives to attract students to Southwest State University. Some participants noted that a high percentage of potential students leave the area to attend post-secondary education, and said the university should be more responsive to the needs of the region.

Several participants asked about the February 1 deadline for State Scholarship and Grant-in-Aid Program applications. It was noted that this was a problem for students at the University of Minnesota's two-year institutions (Crookston and Waseca) and for minority students at the University. Another problem with the annual deadline noted was that some institutions, particularly the area vocational-technical institutes, have different entry dates. HECB Executive Director Richard Hawk said that the deadline problem arises because the funds are limited and the program is not open ended financially. He commented on the need for a deadline and noted that three major programs don't have deadlines. Participants discussed possible solutions for the problem, and HECB President Don Hamerlinck said that any suggestions from the various boards should be submitted to the Coordinating Board office.

In response to questions, Chancellor Hays commented on the proposed student information service. He explained that the Higher Education Advisory Council had agreed to establish, as a high priority matter, a special task force to develop an information service that would assist students who could not be admitted to the educational institution of their first choice. A subcommittee of the task force is preparing recommendations for handling the enrollment bulge if it occurs. Hays said that until an ongoing program can be established, each system has asked its institutions to identify a person who can be contacted in case of a referral question.

Hays said the system heads see some ongoing value in the possibility of cooperating to operate an information center in the metropolitan area without regard to the referral service and enrollment bulge issue.

APPENDICES

APPENDIX A
OVERVIEW OF TRENDS IN MINNESOTA POST-SECONDARY ENROLLMENTS

Enrollments in Minnesota post-secondary education have increased substantially each year since the 1930's except for the chaotic period caused by World War II between 1940 and 1951. In 1950, approximately 40,000 students were enrolled in formal on-campus education past the high school level. In fall 1976, over 195,000 students were enrolled for nearly a five-fold increase in enrollments during the past 25 years. In fall 1976, enrollment in public and private vocational schools alone is estimated to be over 35,000. Collegiate institutions this year have, roughly, 160,000 students enrolled.

Table 18 shows a five-year comparison of headcount enrollments by system.

Major components of this long-term enrollment growth were 1) an increase in public and private high school graduates from 29,400 in 1950 to 70,600 in the spring of 1973. 2) the development of a diverse system of institutions, particularly the growth of the area vocational-technical and the community college systems in the mid to late 1960's, and 3) an increased part-time participation by persons over the 18-to-21 age category.

Figure 3 shows the participation rate or ratio of fall-term first-time students divided by Minnesota high school graduates the previous spring from 1960 to 1975 for five of seven major systems (private professional schools and private vocational schools not shown). This figure graphically shows the effects of increasing student access and institutional diversity through the development of the public AVTI and community college systems in particular. In 1965, there were 40 public post-secondary education campuses. By 1975, there were 64 public campuses.

Figure 4 shows the projected population trends in the two major age groups served by Minnesota post-secondary education. In this figure the top graph shows the projected Minnesota population of the 25-to-39-year-old age group. Surveys of age distributions by level in post-secondary institutions indicate that part-time enrollments in collegiate institutions correlate with this age group. If the participation rate of this age to collegiate institutions were to remain the same, then one would anticipate a trend of a growing part-time enrollment in all collegiate systems for the next 15 years.

AVTIs also have experienced a growing demand from the over 21-year-olds, and one would expect a growth in this non-traditional service sector at vocational-technical institutes.

The projected trend in the numbers of traditional students, or the recent high school graduates, indicates an opposite effect. The lower graph in Figure 4 shows projected high school graduates to peak in 1977-78 and to decline to a low point in 1992. The decline from the projected high to the projected low is about 30 percent. The projection of high school graduates to the early 1990's is based on children now in Minnesota elementary and secondary schools. After 1990, the number of high school graduates is anticipated to increase. This anticipated increase is the result of the post-World War II "baby boom" entering the prime childbearing years. Even at the current low average birth rate of 1.8 children born per eligible female in her childbearing years, the large number of persons entering this age group in Minnesota will most likely produce a "mini baby boom." This anticipated increase in Minnesota live births should begin in the next few years.

In 1969, approximately 7 percent of the total Minnesota post-secondary headcount enrollment was part-time students. By 1975, this part-time component more than doubled in percent of total headcount to 14.6 percent. The growth in part-time participation is largest in the Community College System and in particular at the metropolitan area schools.

TABLE 18

MINNESOTA POST-SECONDARY EDUCATION
SUMMARY OF PRELIMINARY TOTAL HEADCOUNT ENROLLMENT
FALL 1972-1976

						Per Cent Change	
By System	**1972**	**1973**	**1974**	**1975**	**1976**	**1975-76**	**1972-76**
University of Minnesota	49929	49935	51834	55114	56138	1.9	12.4
State Universities	36193	33635	33482	35509	37012	4.2	2.3
State Community Colleges	22289	22782	23283	26813	28097	4.8	26.1
AVTI's	19773	22472	23769	26534	27827	4.9	40.7
Private 4-Year Colleges	28228	29170	29813	31541	33521	6.3	18.8
Private Junior Colleges	1431	1540	1547	1536	1591	3.6	11.2
Private Professional Schools	1723	1924	2132	2999	3328	11.0	93.2
Private Vocational Schools		4264	2259	3546	7821	120.6*	
By Type							
Two-Year Colleges	24700	25493	26217	29984	31531	5.2	12.8
Four-Year Colleges	113464	111709	113967	120771	124828	3.1	10.0
Public Colleges & Universities	108411	106532	108599	117436	121247	3.3	11.8
Private Colleges	29753	30850	31585	33319	35112	5.4	18.0
Private Professional Schools	1723	1924	2132	2999	3328	11.0	93.2
All Public Institutions	128184	128824	132368	143970	149074	3.6	16.3
All Private Institutions	31476	37038	35976	39864	46261	16.1	47.0
All Collegiate Institutions	139793	138986	142091	153512	159687	4.0	14.2
All Vocational Institutions	19773	26736	26028	30080	35648	18.5*	80.3
All Minnesota Institutions	159736	165722	168119	183592	195335	6.4	22.3

*This large percentage increase reflects the addition of a number of newly reporting private vocational schools.

Projecting future trends in Minnesota post-secondary enrollments is done yearly. Nine steps are used and are summarized as follows:

MHECB INSTITUTIONAL ENROLLMENT PROJECTION METHOD

1. Project High School Graduates (HSG) by Region

   Data: Use Minnesota public and private school enrollment by grade by county

   Method: Five-Year weighted average of class rate progression (CRP) by grade
2. Full-Time Resident New Entering Freshmen (NEF) by Region to Each Institution

   $\text{NEF}_{Ri} = \text{HSG}_{Ri}$ X regional entrance rate
3. Full-Time Non-Resident NEF

   Current ratio = $\frac{\text{non-resident NEF}}{\text{resident NEF}}$
4. Full-Time Students (Undergraduate)

   NEF (total) X collegiate CRP's
5. Full-Time Graduate Students

   Upper division students X CRP undergraduate to graduate
6. Part-Time Students

   Assume part-time student is the older students (25-39). Projected part-time enrollment = part-time enrollment X percent change in 25-39-year-olds in region where school is located
7. Total Headcount = Full-Time Students + Part-Time Students
8. Projected Credit Hours Generated

   Current full-time credit hours X $\frac{\text{projected FT students}}{\text{current FT students}}$

   Current part-time credit hours X $\frac{\text{projected PT students}}{\text{current PT students}}$
9. Projected FTE

   Projected FT credit hours + projected PT credit hours divided by 15

This projection method involves some key questions regarding factors that influence new entering student participation behavior, and retention, transfer and advanced standing enrollment phenomena. These factors are questions regarding—

1. Future tuition policies
2. Future financial aid policies
3. Future employment conditions
4. Future programmatic changes
5. Future general economic conditions
6. Future personal values placed on education

Because of the uncertainty in estimating these variables, each year the projection method simulates 1) the effect into the future of having all participation rates constant at their current values and 2) having these participation rates vary ±5 percent from current values. As such, the enrollment projection method casts forward a range of possibilities for all institutions and systems.

FIGURE 3

POST-SECONDARY EDUCATION HIGH SCHOOL
PARTICIPATION RATE 1960-75, WHERE
PARTICIPATION RATE = FALL TERM FIRST TIME STUDENTS / SPRING MINNESOTA HIGH SCHOOL GRADUATES

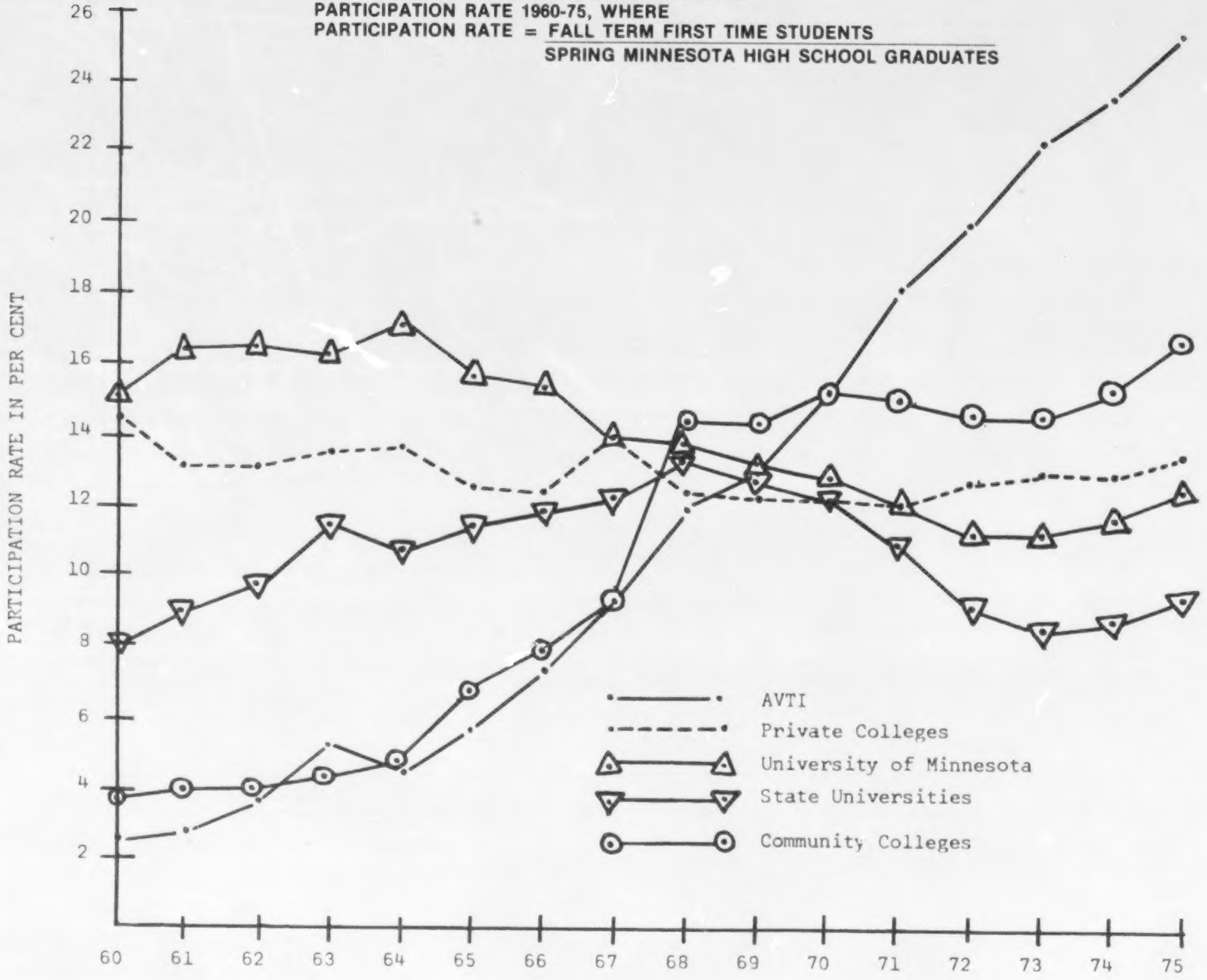
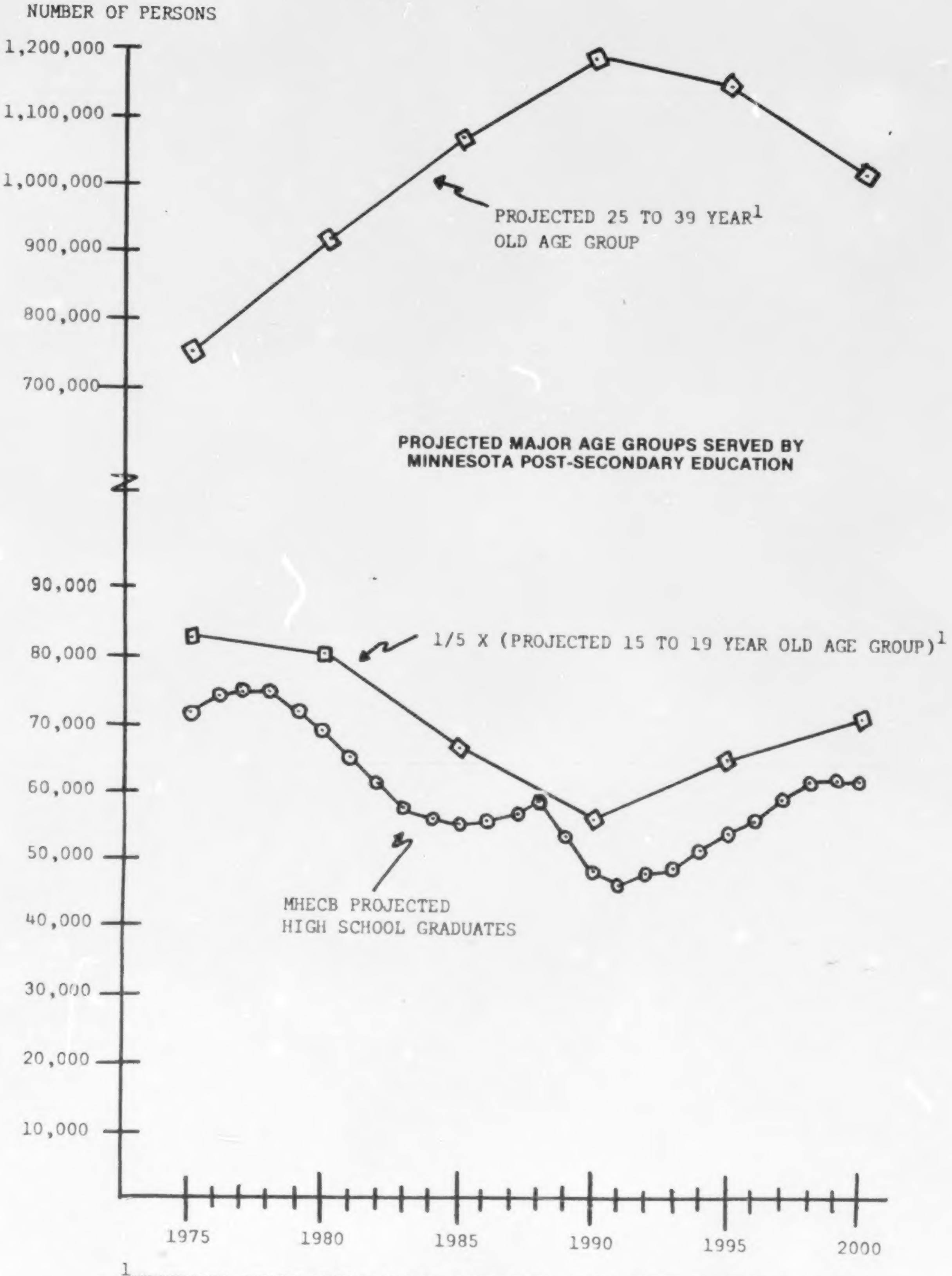


FIGURE 4



PROJECTED MAJOR AGE GROUPS SERVED BY MINNESOTA POST-SECONDARY EDUCATION

[1] MINNESOTA STATE DEMOGRAPHER, MINNESOTA POPULATION PROJECTIONS 1970-2000

Figures 5 through 8 show the current projected enrollment trends in each public system under the simulated condition of a 5 percent increase of the full-time new entering freshmen participation rate from the fall 1975 value. Private college enrollment projections are not made for each institution because of the very large task of obtaining projected high school graduates from other states that are major sources of Minnesota private college enrollment. However, private college enrollment has been about 28 percent of the total public collegiate enrollment in Minnesota the past five years.

Figure 9 shows the results of having this enrollment ratio continuing into the future.

These projection results indicate enrollment increases at all systems for the next six-to-eight years. Then an enrollment decline is projected to occur in the mid-1990's. This decline reverses around 1995 with enrollments increasing to the year 2000 to about the 1972 level.

FIGURE 5

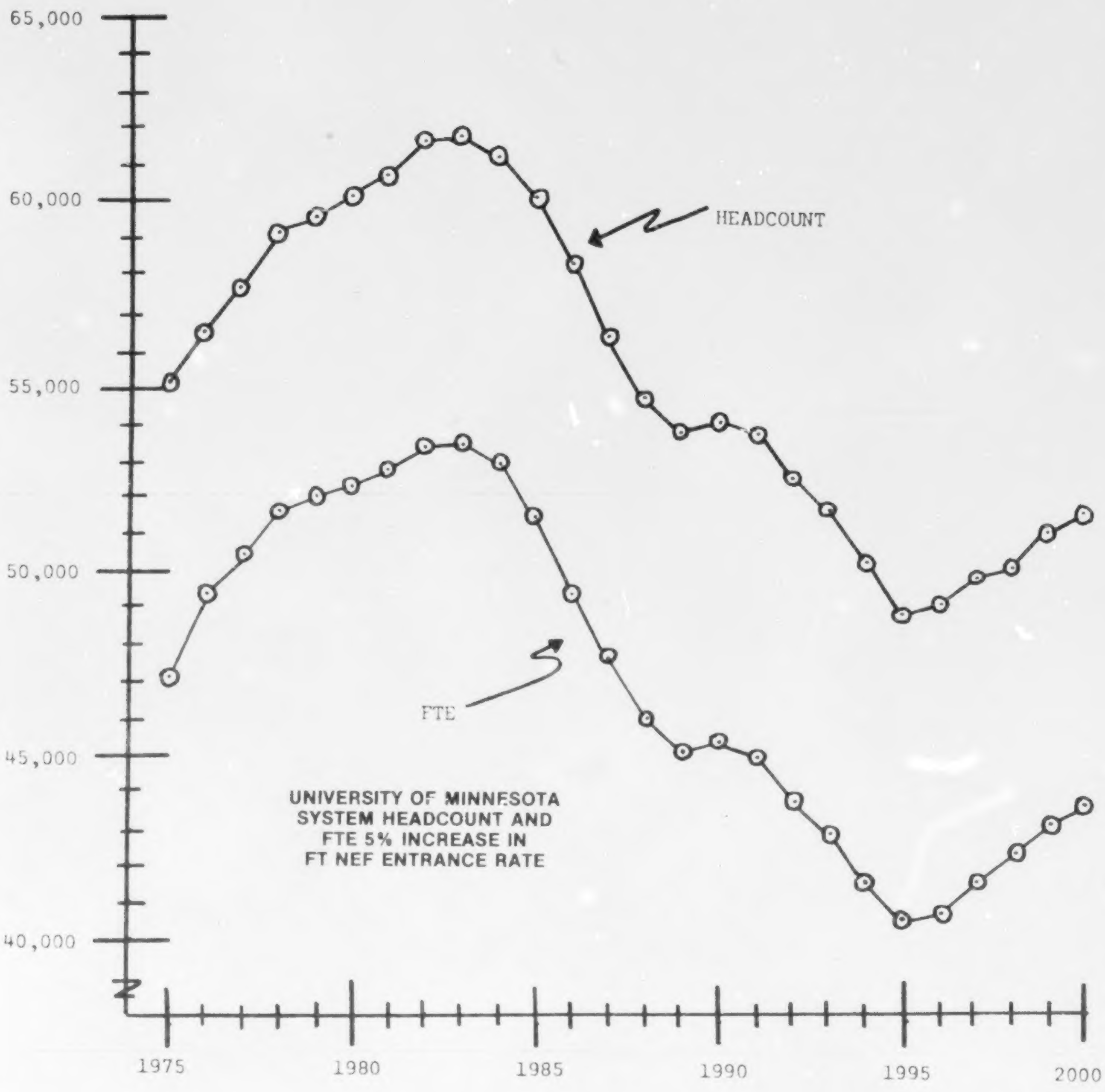


FIGURE 6

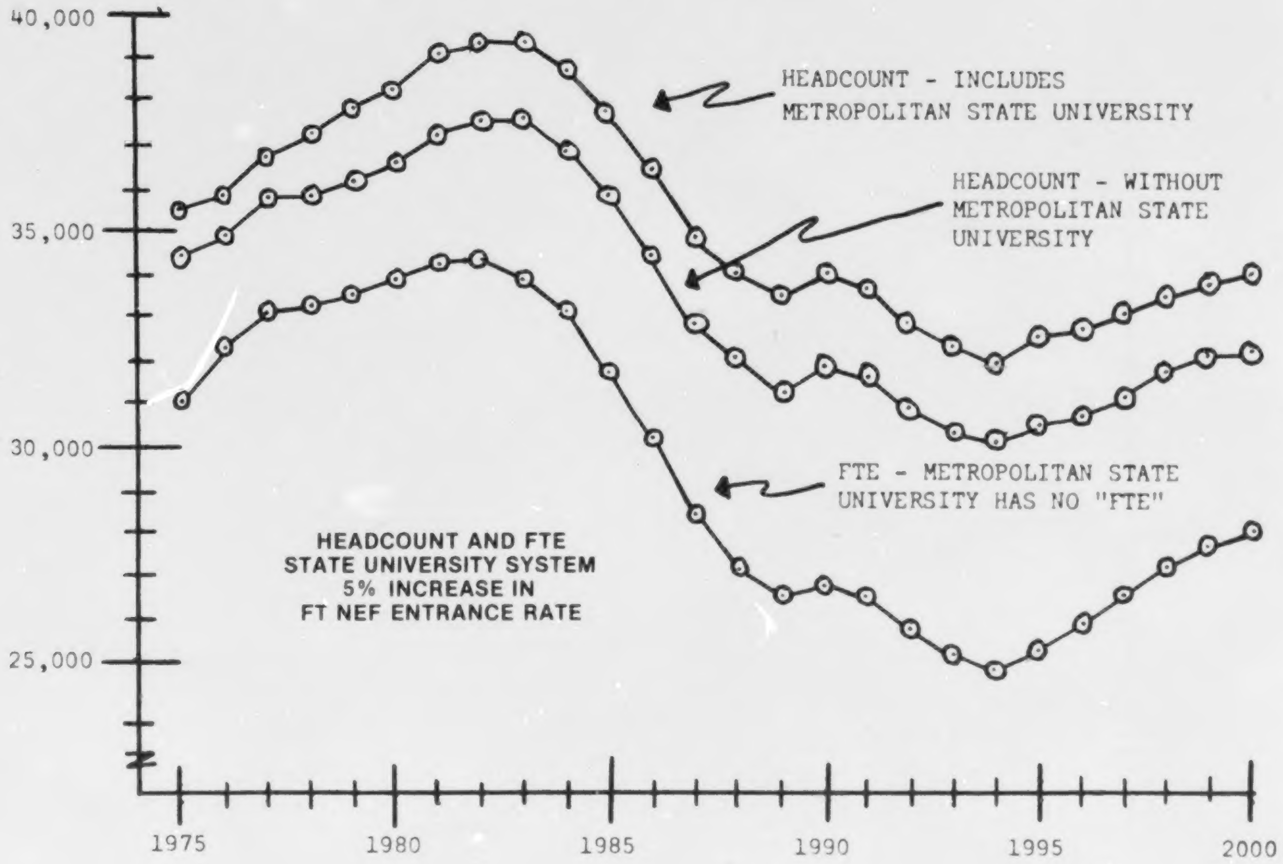

40,000
35,000
30,000
25,000
1975
1980
1985
1990
1995
2000
HEADCOUNT - INCLUDES METROPOLITAN STATE UNIVERSITY
HEADCOUNT - WITHOUT METROPOLITAN STATE UNIVERSITY
FTE - METROPOLITAN STATE UNIVERSITY HAS NO "FTE"
HEADCOUNT AND FTE STATE UNIVERSITY SYSTEM 5% INCREASE IN FT NEF ENTRANCE RATE

FIGURE 7

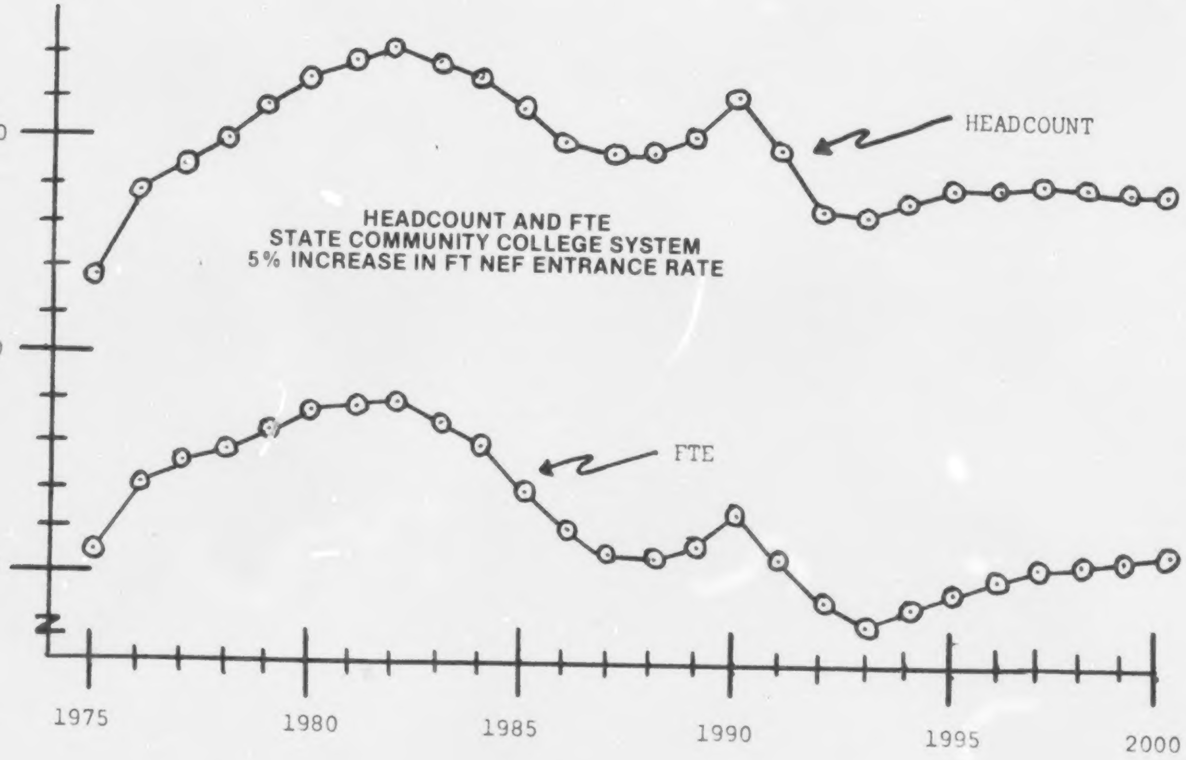
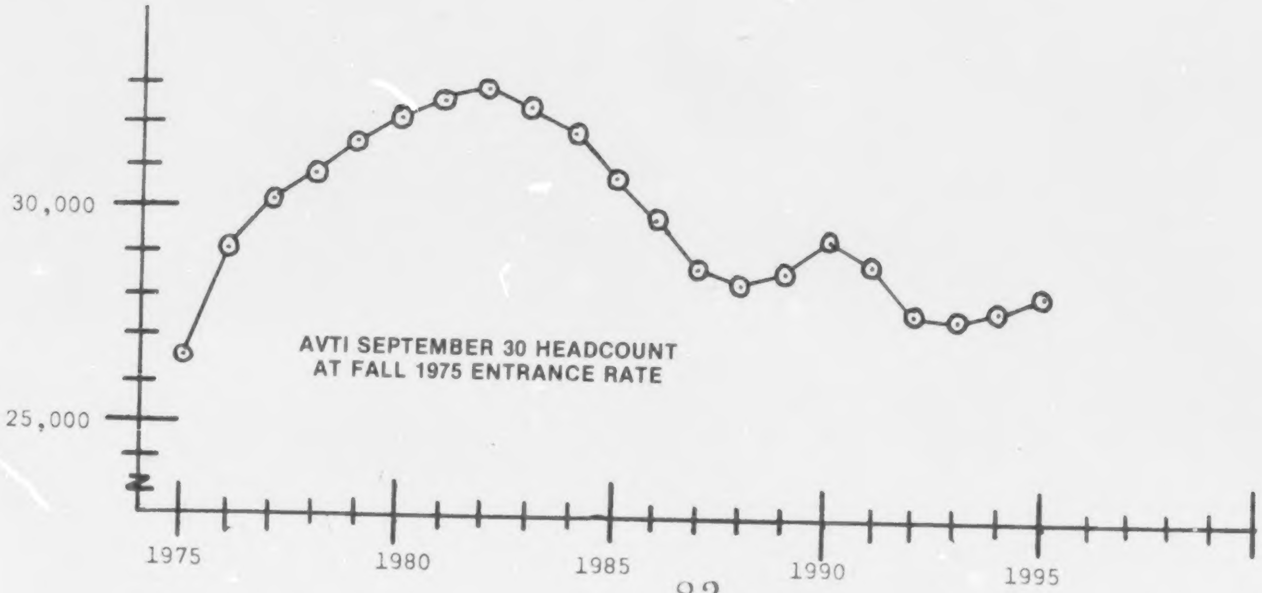
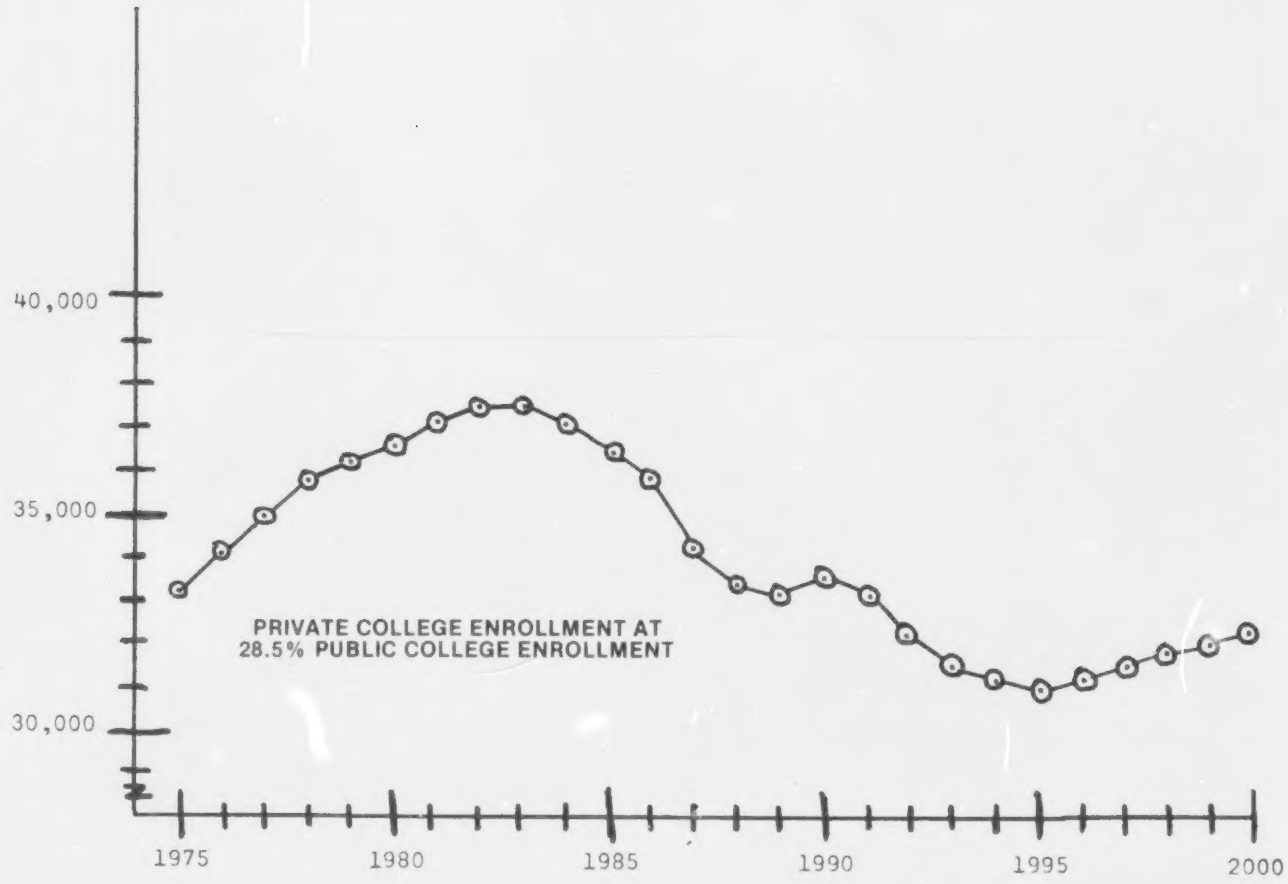


FIGURE 8



82

FIGURE 9


40,000
35,000
30,000
PRIVATE COLLEGE ENROLLMENT AT
28.5% PUBLIC COLLEGE ENROLLMENT
1975
1980
1985
1990
1995
2000

APPENDIX B
STUDENT FINANCIAL AID DATA

MINNESOTA STATE SCHOLARSHIP AND GRANT PROGRAMS

TABLE 19

Scholarship and Grant Activity by Educational Institution Systems
For Fiscal Years 1975-1976-1977

System	Number of Schol. and Grants			Percentage of Schol. and Grants			Schol. and Grant Dollars			Percentage of Dollars			Average Schol. and Grant Amounts		
	1975	1976	1977	1975	1976	1977	1975	1976	1977	1975	1976	1977	1975	1976	1977
Private Colleges	5,240	5,262	6,395	40.1%	36.9%	31.7%	$4,400,285	$5,520,000	$6,569,620	49.7%	41.8%	36.9%	$840	$1,049	$1,027
University of Minnesota	2,965	3,243	4,189	23.2%	22.8%	20.7%	1,932,945	2.979,000	3,774,440	21.8%	22.6%	21.1%	651	919	901
State Universities	2,641	2,905	4,301	20.6%	20.4%	21.3%	1,443,475	2,539,000	3,614,190	16.3%	19.2%	20.3%	516	874	840
Community Colleges	1,040	1,068	1,762	8.1%	7.5%	8.7%	569,450	908,000	1,416,235	6.4%	6.9%	7.9%	547	850	803
AVTIs	840	1,548	2,979	6.6%	10.9%	14.7%	395,550	1,075,000	1,916,120	4.5%	8.1%	10.8%	471	694	643
Private Voc. Schools		32	369		.2%	1.8%		31,000	343,000		.2%	1.9%		969	929
Health Professions	176	182	208	1.4%	1.3%	1.0%	117,775	156,000	170,150	1.3%	1.2%	1.0%	669	857	818
Total	12,802	14,240	20,203		100%		$8,859,480	$13,208,000	$17,803,755		100%		$692	$ 928	$ 881

TABLE 20

AN ANALYSIS OF INITIAL YEAR MINNESOTA STATE SCHOLARSHIP AWARDS
FOR FISCAL YEARS 1976, 1977

System	No. of Init. Schol.		Total of Init. Schol.	
	1976	1977	1976	1977
AVTIs	42	184	$ 25,860	$ 113,200
Community Colleges	98	289	62,195	207,510
State Universities	238	648	176,373	487,450
University of Minnesota	383	836	291,945	663,100
Private Colleges	699	1,554	702,983	1,517,150
Allied Health	14	43	8,885	31,525
Private Voc. Schools	—	53	—	44,675
Total	1,474	3,607	$1,268,241	$3,064,610

TABLE 21

AN ANALYSIS OF INITIAL YEAR MINNESOTA STATE GRANT-IN-AID AWARDS FOR FISCAL YEARS 1976, 1977

	No. of Initial GIA		Total of Initial GIA		No. of Transfer GIA		Total $ Transfer GIA	
System	1976	1977	1976	1977	1976	1977	1976	1977
AVTI	1,292	2,451	$ 901,650	$1,577,145	—	—	—	—
Community Colleges	671	1,083	603,850	886,525	—	—	—	—
State Universities	858	1,670	711,510	1,464,365	51	112	$ 48,050	$ 91,375
University of Minnesota	798	1,431	829,550	1,396,685	45	90	46,125	86,150
Private Colleges	760	1,468	828,375	1,596,575	15	48	15,875	52,450
Allied Health	48	78	42,800	63,975	—	—	—	—
Private Voc. Schools	20	281	20,825	264,300	—	—	—	—
Total	4,447	8,462	$3,938,560	$7,249,570	111	250	$110,050	$229,975

TABLES 22-25

The following tables detail scholarship and grant activity for the academic years 1975-76 and 1976-77.

The main squares of the matrix are in this format

A
B
C D

where:

A = number of recipients in the specified income group at the specified type of institution;

B = dollar amount of awards for recipients in specified income and institution category;

C = percentage of total recipients attending type of institution in specific income category;

D = percentage of total recipients within income group attending specific type of institution.

Example: **0-5999**

Area
Voc-Tech

829
573,505
29.3 27.5

829 grant recipients with family incomes in the range of $0-$5999 are attending Area Vocational-Technical Institutes.

The sum of their awards is $573,505.

29.3% of all grant recipients attending Area Vocational-Technical Institutes have family incomes of $0-$5999.

27.5% of all grant recipients with family incomes of $0-5999 are attending Area Vocational-Technical Institutes.

TABLE 22

SUMMARY OF SCHOLARSHIP ACTIVITY 1975-76 BY INCOME CATEGORY AND SYSTEM

SCHOLARSHIPS, 1975-76 as of 8-10-76 (all refunds posted)

Left % of income
Right % of institution

	0 - 5,999	6,000 - 8,999	9,000 - 11,999	12,000 - 14,999	15,000 - 19,999	20,000 +	Total
Area Voc-Tech	13 7,590 22.4 1.8	16 9,385 27.6 2.5	15 9,475 25.9 1.7	10 4,995 17.2 .9	3 1,225 5.2 .2	1 475 1.7 .1	58 33,145 1.1
Community Colleges	26 15,655 13.4 3.7	25 18,935 12.9 3.9	40 31,925 20.6 4.6	39 28,050 20.1 3.6	50 27,040 25.8 3.6	14 5,470 7.2 2.0	194 127,075 3.6
Health	12 10,075 20.3 1.7	16 13,510 27.1 2.5	14 11,050 23.7 1.6	10 7,050 16.9 .9	6 2,550 10.2 .4	1 850 1.7 .1	59 45,085 1.1
Private 2-year	3 2,975 9.4 .4	11 11,170 34.4 1.7	5 5,125 15.6 .6	6 6,325 18.8 .6	4 3,410 12.5 .3	3 2,350 9.4 .4	32 31,355 .6
Private 4-year	273 271,500 9.8 38.5	292 303,110 10.5 45.6	368 382,225 13.2 42.7	537 554,705 19.2 50.1	811 823,420 29.0 59.2	511 458,925 18.3 73.5	2792 2,793,885 52.2
State Universities	169 120,693 19.3 23.8	131 106,688 15.0 20.5	186 152,613 21.3 21.6	187 145,103 21.4 17.4	160 102,195 18.3 11.7	42 18,865 4.8 6.0	875 646,157 16.4
University of Minnesota	213 158,482 15.9 30.0	149 125,058 11.1 23.3	234 206,436 17.5 27.1	280 239,329 21.0 26.1	337 247,072 25.2 24.6	123 72,295 9.2 17.7	1336 1,048,672 25.0
Private Vocational	——	——	——	3 3,300 100.0 .3	——	——	3 3,300 .05
Total	709 586,970 13.3	640 587,856 12.0	862 798,849 16.1	1072 988,857 20.0	1371 1,206,912 25.6	695 559,230 13.0	5349 4,728,674

TABLE 23

SUMMARY OF GRANT ACTIVITY 1975-76 BY INCOME CATEGORY AND SYSTEM

GRANTS, 1975-76 as of 8-10-76 (all refunds posted)

Left % of income group
Right % of institution

	0 - 5,999	6,000 - 8,999	9,000 - 11,999	12,000 - 14,999	15,000 - 19,999	20,000 +	Total
Area Voc-Tech	463 270,370 38.1 21.5	321 196,280 26.4 19.8	261 172,005 21.5 14.9	134 90,548 11.0 9.9	27 16,340 2.2 3.1	8 4,720 .7 2.9	1214 750,263 15.1
Community Colleges	273 193,314 31.3 12.7	200 162,913 22.9 12.4	188 160,270 21.6 10.7	148 124,959 17.0 10.9	55 42,730 6.3 6.3	8 4,420 .9 2.9	872 688,606 10.8
Health	25 19,000 23.8 1.2	21 19,175 20.0 1.3	27 21,625 25.7 1.5	23 19,575 21.9 1.7	6 5,775 5.7 .7	3 2,625 2.9 1.1	105 87,775 1.3
Private 2-year	27 26,330 22.5 1.3	36 37,765 30.0 2.2	27 28,147 22.5 1.5	12 11,280 10.0 .9	14 13,460 11.7 1.6	4 3,200 3.3 1.5	120 120,182 1.5
Private 4-year	406 408,355 19.2 18.8	327 335,730 15.5 20.2	417 437,241 19.8 23.7	366 380,540 17.3 27.0	419 437,125 19.9 47.8	175 168,680 8.3 64.3	2110 2,167,671 26.3
State Universities	520 404,514 26.9 24.1	417 366,020 21.6 25.8	458 402,642 23.7 26.1	349 299,414 18.1 25.8	163 129,685 8.4 18.6	23 14,140 1.2 8.5	1930 1,616,415 24.0
University of Minnesota	435 378,343 26.2 20.2	293 275,214 17.6 18.1	372 348,063 22.4 21.2	320 301,420 19.3 23.6	191 169,940 11.5 21.8	51 33,450 3.1 18.8	1662 1,506,430 20.7
Private Vocational	9 6,413 37.5 .4	3 3,300 12.5 .2	7 5,920 29.2 .4	3 2,975 12.5 .2	2 2,025 8.3 .2	——	24 20,633 .3
Total	2158 1,706,639 26.9	1618 1,396,397 20.1	1757 1,575,913 21.9	1355 1,230,711 16.9	877 817,080 10.9	272 231,235 3.4	8037 6,957,975

TABLE 24

SUMMARY OF SCHOLARSHIP ACTIVITY BY INCOME CATEGORY AND SYSTEM 1976-77

SCHOLARSHIPS, 1976-77 as of 9-11-76

	0 - 5,999	6,000 - 8,999	9,000 - 11,999	12,000 - 14,999	15,000 - 19,999	20,000 +	Total
Area Voc-Tech	42 29,375 20.3 4.8	41 26,175 19.8 5.6	49 30,375 23.7 5.2	36 20,450 17.4 2.9	33 14,700 15.9 1.7	6 1,700 2.9 .5	207 122,775 2.9
Community Colleges	50 41,210 13.0 5.7	50 44,275 13.0 6.8	68 53,925 17.7 7.3	81 55,325 21.1 6.6	110 61,455 28.6 5.6	25 7,750 6.5 1.9	384 263,940 5.4
Health	18 15,735 25.0 2.0	16 14,000 22.2 2.2	10 8,700 13.9 1.1	5 3,275 6.9 .4	18 9,395 25.0 .9	5 2,600 6.9 .4	72 53,705 1.0
Private 2-year	7 6,775 12.5 .8	13 14,300 23.2 1.8	10 10,900 17.9 1.1	8 7,500 14.3 .7	11 10,400 19.6 .6	7 4,925 12.5 .7	56 54,800 .8
Private 4-year	300 317,485 8.9 33.9	288 309,700 8.6 39.3	356 375,025 10.6 36	510 540,810 15.2 41.5	987 1,025,410 29.5 50.3	910 747,340 27.2 69.1	3351 3,315,770 47.5
State Universities	229 193,725 17.9 25.9	164 151,900 12.8 22.4	205 178,210 16.0 21.9	261 198,600 20.4 21.2	309 189,125 24.2 15.7	110 43,830 8.6 8.4	1278 955,390 18.1
University of Minnesota	230 199,760 13.9 26.0	152 148,755 9.2 20.8	231 224,830 14.0 24.7	321 273,010 19.4 26.1	472 320,325 28.6 24.1	245 113,935 14.8 18.6	1651 1,280,615 23.4
Private Vocational	8 7,055 13.6 .9	8 7,950 13.6 1.1	5 4,575 8.5 .5	8 7,060 13.6 .7	22 16,770 37.3 1.1	8 4,600 13.6 .6	59 48,010 .8
Total	884 811,120 12.5	732 717,055 10.4	934 886,540 13.2	1230 1,106,030 17.4	1962 1,647,580 27.8	1316 926,680 18.6	7058 6,095,005

TABLE 25

SUMMARY OF GRANT ACTIVITY 1976-77 BY INCOME CATEGORY AND SYSTEM

GRANTS, 1976-77 as of 9-11-76

	0 - 5,999	6,000 - 8,999	9,000 - 11,999	12,000 - 14,999	15,000 - 19,999	20,000 +	Total
Area Voc-Tech	829 573,505 29.3 27.5	572 388,880 20.2 24.6	580 383,375 20.5 21.8	483 292,765 17.0 17.8	330 153,810 11.6 12.1	40 18,650 1.4 6.1	2834 1,810,985 20.1
Community Colleges	352 313,035 21.1 11.7	263 236,425 15.8 11.3	315 277,330 18.9 11.9	348 275,575 20.9 12.8	344 233,990 20.6 12.6	46 26,075 2.8 7.1	1668 1,362,430 11.8
Health	32 26,300 22.1 1.1	25 22,050 17.2 1.1	28 24,185 19.3 1.1	25 21,225 17.2 .9	33 21,475 22.8 1.2	2 675 1.4 .3	145 115,910 1.0
Private 2-year	33 35,125 16.8 1.1	35 38,025 17.9 1.5	37 39,100 18.9 1.4	46 50,025 23.5 1.7	42 45,975 21.4 1.5	3 3,300 1.5 .5	196 211,550 1.4
Private 4-year	497 532,550 16.8 16.5	416 451,005 14.1 17.9	495 536,975 16.8 18.6	535 579,340 18.1 19.7	710 762,850 24.1 26.0	297 285,900 10.1 45.6	2950 3,148,620 20.9
State Universities	691 631,995 21.1 22.9	552 525,765 16.8 23.7	636 600,055 19.4 23.9	653 541,075 20.0 24.0	627 441,985 19.1 22.9	123 72,325 3.7 18.7	3282 2,813,200 23.3
University of Minnesota	521 501,350 19.2 17.3	406 417,495 15.0 17.5	505 511,135 18.6 19.0	561 530,970 20.7 20.6	587 506,045 21.7 21.5	134 95,360 4.9 20.6	2714 2,562,355 19.2
Private Vocational	64 63,180 20.3 2.1	56 52,790 17.7 2.4	60 55,925 19.0 2.3	66 59,910 20.9 2.4	63 62,675 19.9 2.3	7 5,725 2.2 1.1	316 300,205 2.2
Total	3019 2,677,040 21.4	2325 2,132,435 16.5	2656 2,428,080 18.8	2717 2,350,885 19.3	2736 2,228,805 19.4	652 508,010 4.6	14105 12,325,255

TABLE 26

MINNESOTA STATE SCHOLARSHIP AND GRANT-IN-AID PROGRAMS FOR ACADEMIC YEAR 1975-76

	Initial Scholarship		Renewal Scholarship		Initial Grant		Renewal Grant		Total		Total Program	
	#	$	#	$	#	$	#	$	#	$	% #	% $
Community Colleges	97	60,100	96	66,550	634	515,482	237	172,150	1,064	814,282	8.0	7
State Universities	236	171,803	638	473,511	845	742,153	1,082	872,303	2,801	2,259,770	21.0	19.4
University System	380	284,509	951	760,050	730	707,348	929	796,833	2,990	2,548,740	22.4	21.8
Private 2-yr.	13	13,210	19	18,145	58	58,452	62	61,730	152	151,537	1.1	1.3
Private 4-yr.	688	681,750	2,101	2,110,142	672	700,105	1,437	1,466,467	4,898	4,958,464	36.6	42.5
AVTI's	42	25,260	16	7,885	1,056	658,032	157	91,997	1,271	783,174	9.5	6.7
Private Vocational	0	0	3	3,300	18	14,534	6	6,100	27	23,934	.2	.2
Health	14	8,885	45	36,200	38	30,930	67	56,845	164	132,860	1.2	1.1
TOTAL	1,470	1,245,517	3,869	3,475,783	4,051	3,427,036	3,977	3,524,425	13,367	11,672,761	100%	100%

TABLE 27

MINNESOTA STATE SCHOLARSHIP AND GRANT-IN-AID PROGRAMS FOR ACADEMIC YEAR 1976-77

	Initial Scholarship		Renewal Scholarship		Initial Grant		Renewal Grant		Total		Total Program	
	#	$	#	$	#	$	#	$	#	$	% #	% $
Community Colleges	307	210,810	63	41,510	1,235	986,810	351	289,450	1,956	1,528,580	9.9	9.0
State Universities	603	442,110	611	457,130	1,614	1,383,630	1,334	1,114,445	4,162	3,397,315	21.1	19.9
University System	742	572,045	902	698,780	1,525	1,457,905	1,141	1,038,735	4,310	3,767,465	21.8	22.1
Private 2-yr.	41	40,345	16	14,580	136	145,680	44	46,335	237	246,940	1.2	1.4
Private 4-yr.	1,329	1,304,245	1,883	1,863,565	1,263	1,347,455	1,484	1,540,755	5,959	6,056,020	30.2	35.5
AVTI's	164	95,915	21	12,325	2,081	1,284,295	328	206,890	2,594	1,599,425	13.1	9.4
Private Vocational	51	40,405	8	5,485	248	227,197	36	32,890	343	305,977	1.7	1.8
Health	36	24,515	28	23,550	61	46,215	64	53,845	189	148,125	1.0	.9
TOTAL	3,273	2,730,390	3.532	3,116,925	8,163	6,879,187	4,782	4,323,345	19,750	17,049,847	100%	100%

TABLE 28

scholarships and grants by county, 1976-1977

The table below is to be referenced as follows:

Non-Recipients = Includes all those applicants who did not receive an award or who notified HECB of a change of plans which nullified their award. This includes people who did not respond to queries for additional information, people who were late in response, people who decided not to attend college or to attend an ineligible institution, people who showed no need, and people who showed need but whom we were unable to fund.

Recipients = Includes all applicants who were given a monetary award that has not yet been refunded to us.

Refunds = Includes all recipients whose awards have been refunded for non-attendance at the specified institution. All refunds have not been returned to us at this time.

Honoraries = Includes all applicants who received an honorary rather than monetary awards.

Exact figures in each category by type of institution are available in raw form.

TABLE 28

SCHOLARSHIPS AND GRANTS BY COUNTY, 1976–77

	#	#	$	#	$	#
County	Non-Recipients	Recipients		Refunds		Honoraries
Aitkin	34	93	82,425	4	2,500	2
Anoka	338	553	477,305	51	42,370	97
Becker	65	162	145,540	17	13,550	11
Beltrami	51	134	113,135	24	19,975	5
Benton	57	146	128,075	5	3,450	9
Big Stone	32	73	58,840	8	5,550	5
Blue Earth	102	190	168,480	8	7,075	25
Brown	89	194	163,655	16	13,475	19
Carlton	119	239	212,935	14	13,000	17
Carver	63	123	107,215	7	5,550	14
Cass	56	150	133,765	26	20,725	4
Chippewa	44	107	97,075	6	3,975	14
Chisago	53	115	100,380	5	4,550	17
Clay	89	188	159,670	25	19,375	35
Clearwater	28	92	79,245	9	8,150	1
Cook	16	34	31,625	2	1,600	3
Cottonwood	60	120	99,980	12	8,675	9
Crow Wing	83	230	200,325	19	15,025	20
Dakota	367	586	474,122	33	30,300	112
Dodge	42	73	65,585	8	7,450	13
Douglas	72	182	162,305	10	8,400	12
Faribault	68	183	158,930	13	10,825	24
Fillmore	54	139	123,590	16	14,500	12
Freeborn	106	212	181,495	19	13,465	12
Goodhue	122	199	169,940	21	18,600	13
Grant	25	74	64,025	6	5,375	7
Hennepin	1,940	2,678	2,384,440	156	136,500	482
Houston	34	103	92,150	18	14,650	6
Hubbard	30	117	99,200	16	12,175	1
Isanti	45	103	90,890	9	8,025	17
Itasca	134	267	232,365	24	20,150	23
Jackson	42	81	69,465	6	5,000	7
Kanabec	13	74	60,890	4	3,600	5
Kandiyohi	83	200	162,630	6	4,975	18
Kittson	14	32	25,600	3	2,200	2
Koochiching	37	86	75,625	8	6,725	5

TABLE 28 (CONTINUED)

County	# Non-Recipients	# Recipients	$ Recipients	# Refunds	$ Refunds	# Honoraries
Lac Qui Parle	34	103	89,075	11	8,900	4
Lake	47	100	88,000	8	6,300	10
Lake of the Woods	8	20	15,500	2	1,300	2
Le Sueur	51	134	123,850	7	6,000	8
Lincoln	40	83	69,780	3	1,925	3
Lyon	100	187	158,290	10	7,450	11
McLeod	97	147	121,255	10	7,850	15
Mahnomen	14	59	52,280	5	3,675	3
Marshall	38	93	79,965	9	7,200	3
Martin	76	136	116,380	10	7,925	11
Meeker	55	153	133,200	7	5,425	11
Mille Lacs	40	103	93,550	6	5,250	3
Morrison	98	295	252,100	28	20,975	13
Mower	123	260	216,295	17	12,350	42
Murray	54	133	112,585	4	4,200	15
Nicollet	63	142	124,035	11	10,425	13
Nobles	65	162	129,340	5	4,275	9
Norman	22	60	55,000	3	1,950	7
Olmsted	234	351	310,490	21	18,175	47
Otter Tail	123	391	336,120	30	21,975	26
Pennington	47	92	72,105	10	8,800	6
Pine	41	132	109,315	10	8,275	10
Pipestone	25	67	56,965	6	3,875	4
Polk	85	209	180,300	22	18,850	15
Pope	37	132	113,705	6	4,900	4
Ramsey	955	1,612	1,442,575	103	84,925	273
Red Lake	20	50	42,975	8	6,325	4
Redwood	66	169	140,855	11	8,950	9
Renville	79	217	185,400	15	11,700	12
Rice	133	227	204,725	8	5,925	21
Rock	39	62	53,585	11	8,825	8
Roseau	47	82	73,335	9	7,475	7
St. Louis	822	1,647	1,431,700	99	87,100	125
Scott	94	186	172,935	10	8,375	29
Sherburne	51	118	98,945	14	9,925	12
Sibley	46	113	95,635	7	6,275	8
Stearns	274	753	625,895	58	44,450	45
Steele	85	198	177,200	15	11,950	11
Stevens	46	120	97,635	7	4,550	14
Swift	57	122	112,690	11	9,700	8
Todd	65	234	203,315	17	13,775	9
Traverse	18	57	48,805	5	4,775	7
Wabasha	36	103	90,100	10	7,350	9
Wadena	59	134	115,575	14	10,600	5
Waseca	73	101	89,720	4	2,925	12
Washington	234	386	342,470	18	22,450	81
Watonwan	60	102	80,715	5	5,300	6
Wilkin	20	30	27,325	6	4,925	7
Winona	80	13	184,900	14	13,150	17
Wright	107	289	246,060	16	10,675	26
Yellow Medicine	55	137	109,550	7	6,700	7
Out-of-State	21	18	15,225	1	625	2
County Code	83	107	100,050	3	2,300	128

TABLE 29

MINNESOTA HIGHER EDUCATION COORDINATING BOARD FY 1976 PROGRAM ACTIVITY FOR THE MINNESOTA WORK-STUDY AND FOREIGN STUDENT PROGRAMS

System	Work-Study			Foreign Student		
	Allocation	Utilization	% Utilization	Allocation	Utilization	% Utilization
U of M	$150,000	$148,468	99%	$38,784	$38,184	98%
State Universities	104,900	50,673	48%	16,720	14,935	89%
Community Colleges	61,700	34,310	56%	9,888	5,306	54%
AVTI's	79,950	42,659	53%	3,544	1,008	28%
Private Institutions	103,350	71,517	69%	11,064	11,040	100%
TOTAL	$500,000	$347,627	70%	$80,000	$70,473	88%

MINNESOTA STATE STUDENT LOAN PROGRAM

TABLE 30

Loan Activity by Educational Institution Systems As of November 1, 1976

System	Percentage of State Enrollment	Number of Loans	Percentage of Loans	Loan Dollars	Percentage of Dollars	Average Loan Amounts
Minnesota Private Colleges	21%	7,102	24%	$11,090,637	22%	$1,562
Minnesota Private Vocational Schools	4%*	7,132	24%	13,000,128	27%	1,823
University of Minnesota	28%	3,733	12%	6,295,110	13%	1,686
Minnesota State Universities	19%	3,065	10%	4,778,327	10%	1,559
Minnesota State Community Colleges	12%	1,767	6%	2,609,694	5%	1,477
Minnesota AVTI's	16%	5,349	18%	8,342,257	17%	1,560
Out-of-State Institutions (all types)	—	1,779	6%	2,889,610	6%	1,624
TOTAL	100%	29,927	100%	$49,005,763	100%	$1,638

*Minnesota Private Vocational Schools Enrollment Estimated.

MINNESOTA STATE STUDENT LOAN PROGRAM

TABLE 31

In State Loan Activity by Institutional Control and Educational Offering
As of November 1, 1976

By Type of Control	Percentage of State Enrollment	Number of Loans	Percentage of Loans	Loan Dollars	Percentage of Dollars	Average Loan Amount
Private Institutions	25%*	14,234	51%	$24,090,765	52%	$1,692
2 Year Public Institutions	28%	7,116	25%	10,951,951	24%	1,539
4 Year Public Institutions	47%	6,798	24%	11,073,437	24%	1,629
TOTAL	100%	28,148	100%	$46,116,153	100%	$1,638
By Educational Offering						
Collegiate	80%	15,667	56%	$24,773,768	54%	$1,581
Vocational	20%*	12,481	44%	21,342,385	46%	1,710
TOTAL	100%	28,148	100%	$46,116,153	100%	$1,638

*Minnesota Private Vocational Schools Enrollment Estimated

APPENDIX C
FINANCIAL PLANNING AND BUDGET REVIEW DATA BY SYSTEM

UNIVERSITY OF MINNESOTA

TABLE 32

ACTUAL AND REQUESTED EXPENDITURES AND INCOME UNIVERSITY OF MINNESOTA

						Agency Request						
Program Title	**Actual F.Y. 1975**	**Actual F.Y. 1976**	**% Change Previous Year**	**Estimated F.Y. 1977**	**% Change Previous Year**	**F.Y. 1978**	**% Change Previous Year**	**F.Y. 1979**	**% Change Previous Year**	**1975-77 Biennium**	**1977-79 Biennium**	**% Change Biennium**
Instruction & Departmental Research	$ 78,372,950	$ 95,856,466	22.31	$100,669,023	5.02	$104,329,025	3.64	$107,762,891	3.29	$196,525,489	$212,091,916	7.92
Separately Budgeted Research	4,745,025	4,687,480	-1.21	3,970,631	-15.29	4,320,631	8.81	4,320,631	—	8,658,111	8,641,262	- .19
Public Service	3,568,939	4,554,644	27.62	4,382,805	- 3.77	4,476,462	2.14	4,487,870	.25	8,937,449	8,964,332	.30
Academic Support	17,419,159	19,796,392	13.65	23,272,372	17.56	24,504,063	5.29	25,129,627	2.55	43,068,764	49,633,690	15.24
Student Services	9,246,413	11,175,505	20.85	12,386,955	10.84	14,591,035	17.79	15,205,974	4.21	23,562,460	29,797,009	26.46
Institutional Support	16,130,117	18,809,962	16.61	21,537,239	14.50	22,937,443	6.50	23,286,284	1.52	40,347,201	46,223,727	14.56
Plant Operations & Maintenance	28,790,520	36,401,101	26.43	31,381,579	-13.79	34,646,703	10.40	36,477,957	5.29	67,782,680	71,124,660	4.93
State Special Appropriations	28,916,121	28,281,888	-2.19	29,724,087	5.10	32,871,120	10.59	33,946,402	3.27	58,005,975	66,817,522	15.19
System Wide Decision Items	—	—	—	—	—	20,506,529	—	33,822,280	64.93	—	54,328,809	—
Total	$187,189,244	$219,563,438	17.29	$227,324,691	3.53	$263,183,011	15.77	$284,439,916	8.08	$446,888,129	$547,622,927	22.54
Sources of Funds												
General Fund — Direct	$ 89,254,080	$118,730,171	33.02	$122,012,683	2.76	$155,235,439	27.23	$168,880,612	8.79	$240,742,854	$324,116,051	34.63
General Fund — Open	9,315,485	5,324,294	-42.84	9,471,580	77.89	—	—	—	—	14,795,874	—	—
General Fund — Contingency	—	—	—	—	—	—	—	—	—	—	—	—
Permanent U. Fund	2,427,164	2,657,434	9.49	2,563,506	-3.53	2,500,000	-2.48	2,500,000	—	5,220,940	5,000,000	-4.23
General Income	9,569,627	9,152,409	-4.36	9,624,000	5.15	9,609,000	- .16	10,205,000	6.20	18,776,409	19,814,000	5.53
Special Income	13,268,111	14,756,838	11.22	14,114,195	-4.35	14,114,195	—	14,114,195	—	28,871,033	28,228,390	-2.23
Tuition & Fees	31,057,104	37,445,657	20.57	39,814,640	6.33	45,694,640	14.77	49,726,640	8.82	77,260,297	95,421,280	23.51
Sub-Total	$154,891,571	$188,066,803	21.42	$197,600,604	5.07	$227,153,274	14.96	$245,426,447	8.04	$385,667,407	$472,579,721	22.54
State Special Appropriations												
Direct	$ 26,689,948	$ 27,403,515	2.67	$ 28,512,327	4.05	$ 36,029,737	26.37	$ 39,013,469	8.28	$ 55,915,842	$ 75,043,206	34.21
Open	1,406,659	677,061	-51.87	1,021,760	50.91	—	—	—	—	1,698,821	—	—
Special Income	800,040	52,542	—	5,000	—	—	—	—	—	57,542	—	—
Total	$183,788,218	$216,199,921	17.64	$227,139,691	5.06	$263,183,011	15.87	$284,439,916	8.08	$443,339,612	$547,622,927	23.52

TABLE 33

PERCENTAGE DISTRIBUTION OF EXPENDITURES BY PROGRAM AND SOURCE OF INCOME UNIVERSITY OF MINNESOTA

Program Title	Actual F.Y. 1975	Actual F.Y. 1976	Estimated F.Y. 1977	Agency Request F.Y. 1978	Agency Request F.Y. 1979
Instruction & Departmental Research	41.87	43.66	44.28	39.64	37.89
Separately Budgeted Research	2.53	2.13	1.75	1.64	1.52
Public Service	1.91	2.07	1.93	1.70	1.58
Academic Support	9.31	9.02	10.24	9.31	8.83
Student Services	4.94	5.09	5.45	5.54	5.35
Institutional Support	8.62	8.57	9.47	8.72	8.19
Plant Operations & Maintenance	15.38	16.58	13.80	13.16	12.82
State Special Appropriations	15.45	12.88	13.08	12.49	11.93
System Wide Decision Items	—	—	—	7.79	11.89
Total	100.00	100.00	100.00	100.00	100.00
Sources of Funds					
General Fund – Direct	48.56	54.92	53.72	58.98	59.37
General Fund – Open	5.07	2.46	4.17	—	—
General Fund – Contingency	—	—	—	—	—
Permanent University Fund	1.32	1.23	1.13	.95	.88
General Income	5.21	4.23	4.24	3.65	3.59
Special Income	7.22	6.83	6.21	5.36	4.96
Tuition & Fees	16.90	17.32	17.53	17.36	17.48
Sub-Total	84.28	86.99	87.00	86.31	86.28
State Specials	14.52	12.68	12.55	13.69	13.72
Direct State Appropriations	.77	.31	.45	—	—
Special Income Department	.44	.02	.002	—	—
Total	100.00	100.00	100.00	100.00	100.00

TABLE 34

ACTUAL AND REQUESTED EXPENDITURES AND INCOME PER FULL-TIME EQUIVALENT STUDENT UNIVERSITY OF MINNESOTA

Expenditures Per Student	Actual 1975	Actual 1976	Estimated 1977	Requested 1978	Requested 1979
Instruction	$1,686	$2,001	$2,025	$2,017	$2,038
All Other Activities	2,340	2,582	2,548	3,071	3,340
Total	$4,026	$4,583	$4,573	$5,088	$5,378
Income Per Student					
General Fund Appropriations	$1,920	$2,478	$2,454	$3,001	$3,193
Tuition & Fees	668	782	801	883	940
Other Sources	1,365	1,253	1,314	1,204	1,245
Total	$3,953	$4,513	$4,569	$5,088	$5,378

TABLE 35

ACTUAL AND REQUESTED PERSONNEL EXPENDITURES[1]
UNIVERSITY OF MINNESOTA

Personnel Costs	Actual F.Y. 1975	Actual F.Y. 1976	% Change Previous Year	Estimated F.Y. 1977	% Change Previous Year	Agency Request F.Y. 1978	Agency Request % Change Previous Year	Agency Request F.Y. 1979	% Change Previous Year	1975-77 Biennium	1977-79 Biennium	% Change Biennium
Unclassified	$ 76,817,610	$ 89,066,235	15.95	$ 98,234,330	10.29	$116,977,603	19.08	$129,935,557	11.08	$187,300,565	$246,913,160	31.83
Classified	44,747,641	52,992,959	18.43	56,325,554	6.29	58,786,601	4.37	59,685,830	1.53	109,318,513	118,472,431	8.37
Fringe Benefits	16,155,933	19,703,557	21.96	21,140,417	7.29	22,768,157	7.70	23,516,260	3.29	40,843,974	46,284,417	13.32
Total	$137,721,184	$161,762,751	17.46	$175,700,301	8.62	$198,532,361	12.99	$213,137,647	7.36	$337,463,052	$411,670,008	21.99
Position Counts												
Unclassified	4,520.90	4,851.20	7.31	5,057.80	4.26	5,333.20	5.45	5,466.60	2.50	5,057.80	5,466.60	8.08
Classified	4,459.20	4,738.20	6.26	4,908.70	3.59	5,145.90	4.83	5,232.40	1.68	4,908.70	5,232.40	6.59
Total	8,980.10	9,589.40	6.79	9,966.50	3.93	10,479.10	5.14	10,699.00	2.10	9,966.50[2]	10,699.00[2]	7.35

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[1] Includes State Special Appropriation employees and compensation.

[2] Position Counts those of last year of each biennium.

TABLE 36

NUMBER OF FULL-TIME EQUIVALENT POSITIONS
UNIVERSITY OF MINNESOTA

	Estimated F.Y. 1977			Request F.Y. 1979		
	Unclassified	Classified	Total	Unclassified	Classified	Total
Instruction & Departmental Research	3,619.50	938.20	4,557.70	3,824.70	1,028.70	4,853.40
Separately Budgeted Research	46.40	149.10	195.50	46.40	149.10	195.50
Public Service	46.10	223.90	270.00	49.10	225.20	274.30
Academic Support	402.10	715.90	1,118.00	410.80	735.60	1,146.40
Student Services	151.20	496.00	647.20	160.20	520.00	680.20
Institutional Support	110.00	734.60	844.60	111.00	753.60	864.60
Plant Operation & Maintenance	1.70	970.90	972.60	1.70	1,024.00	1,025.70
Subtotal	4,377.00	4,228.60	8,605.60	4,603.90	4,436.20	9,040.10
State Specials & System Wide Decision Items	680.80	680.10	1,360.90	862.70	796.20	1,658.90
Total	5,057.80	4,908.70	9,966.50	5,466.60	5,232.40	10,699.00

TABLE 37

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL (IN CONSTANT DOLLARS)

UNIVERSITY OF MINNESOTA SYSTEM

Expenditures	1975-76	1976-77	1978-79	1985-86	1990-91	1995-96	2000-01
Instruction* & Departmental Research	$ 95,856,466	$ 99,633,264	$102,650,236	$100,598,939	$ 88,657,097	$ 79,191,449	$ 85,463,254
All Other	123,706,972	125,901,845	130,088,770	130,391,845	117,765,965	106,217,685	111,870,595
Total	$219,563,438	$225,535,109	$232,739,006	$230,990,784	$206,423,062	$185,409,134	$197,333,849
Revenue							
Direct State Appropriations	$146,133,686	$151,924,800	$156,525,200	$153,397,300	$135,187,900	$120,754,300	$130,317,800
Tuition & Fees	$ 37,445,657	$ 38,936,493	$ 40,115,520	$ 39,313,877	$ 34,647,028	$ 30,947,870	$ 33,394,880
Personnel							
Unclassified Staff	4,851.2	4,857.1	5,194.7	5,090.8	4,486.5	4,007.5	4,324.9
Total Staff	9,589.4	9,596.8	10,262.6	10,057.5	8,863.6	7,917.3	8,544.3

*Instruction based on full-time equivalent projections; all other expenditures based on headcount projections

TABLE 38

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL (AT 6.6 PERCENT ANNUAL INFLATION RATE)

UNIVERSITY OF MINNESOTA SYSTEM

Expenditures	1975-76	1976-77	1978-79	1985-86	1990-91	1995-96	2000-01
Instruction* & Departmental Research	$ 95,856,466	$106,200,336	$124,311,304	$190,559,033	$231,171,309	$284,278,994	$422,271,710
All Other	123,706,972	134,201,833	157,555,174	246,960,412	307,030,821	381,200,841	552,675,621
Total	$219,563,438	$240,402,169	$281,866,478	$437,519,445	$538,202,130	$665,479,835	$974,947,331
Revenue							
Direct State Appropriations	$146,133,686	$161,971,440	$189,647,952	$290,712,625	$352,709,592	$433,702,702	$644,274,388
Tuition & Fees	$ 37,445,657	$ 39,861,171	$ 46,672,361	$ 71,544,377	$ 86,801,831	$106,734,235	$158,555,927
Personnel							
Unclassified Staff	4,851.2	4,857.6	5,194.7	5,090.8	4,486.5	4,007.5	4,324.9
Total Staff	9,589.4	9,596.8	10,262.6	10,057.5	8,863.6	7,917.3	8,544.3

*Instruction based on full-time equivalent projections; all other expenditures based on headcount projections

FIGURE 10

ACTUAL AND PROJECTED EXPENDITURES IN CONSTANT DOLLARS
AND AT 6.6 PERCENT ANNUAL INFLATION RATE
UNIVERSITY OF MINNESOTA

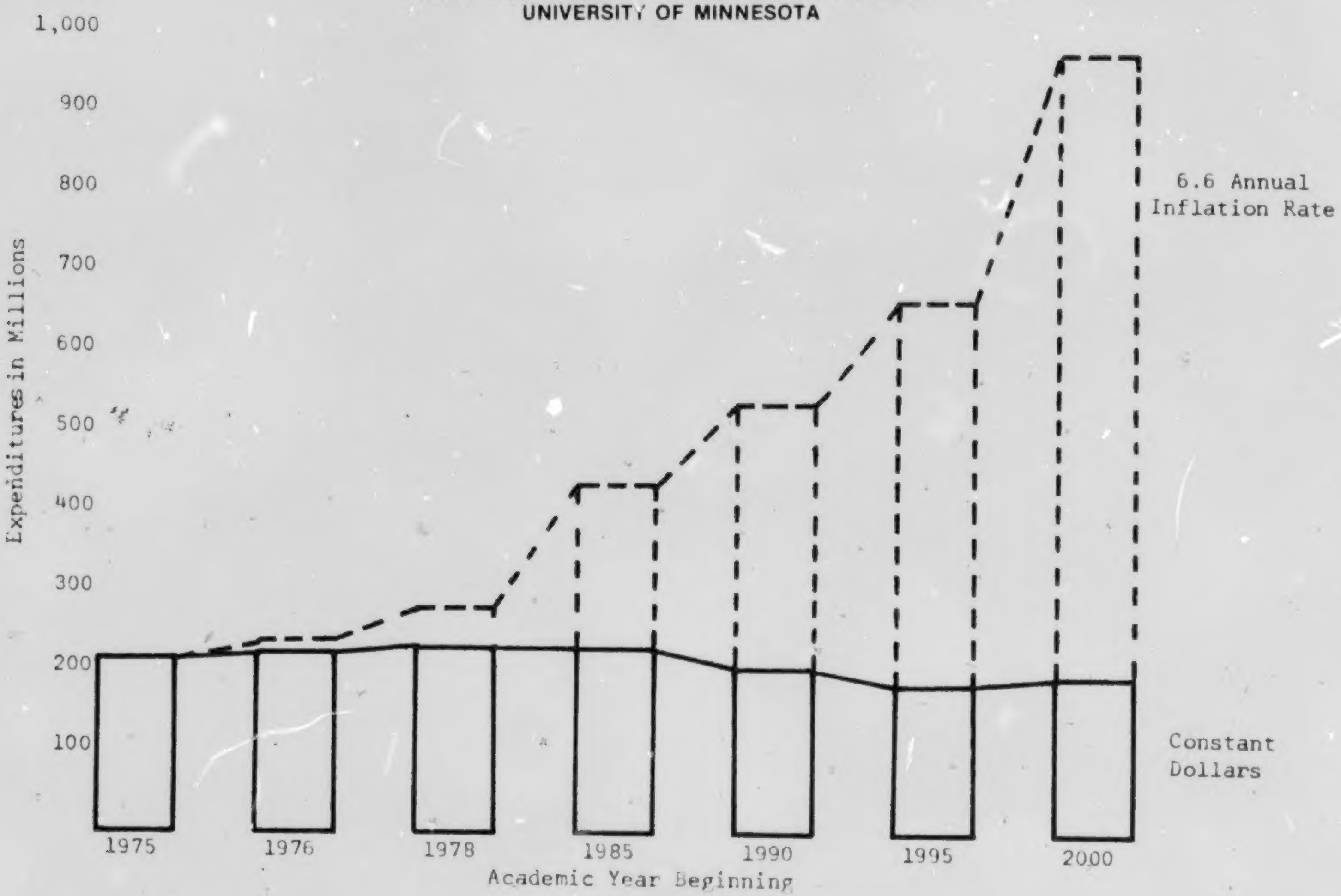

TABLE 39

ACTUAL AND REQUESTED EXPENDITURES AND INCOME[1]
STATE UNIVERSITY SYSTEM

Program Title	Actual F.Y. 1975	Actual F.Y. 1976	% Change Previous Year	Estimated F.Y. 1977	% Change Previous Year	Agency Request F.Y. 1978	Agency Request % Change Previous Year	Agency Request F.Y. 1979	% Change Previous Year	1975-77 Biennium	1977-79 Biennium	% Change Biennium
Instruction & Department Research	$34,050,291	$40,146,949	17.87	$42,362,334	5.52	$42,723,425	.85	$43,231,668	1.19	$ 82,509,283	$ 85,955,093	4.18
Separately Budgeted Research	2,960,648	3,001,029	1.36	2,325,419	-22.51	2,300,951	-1.05	2,301,515	.02	5,326,448	4,602,466	-13.59
Public Service	119,327	144,848	21.39	139,008	-4.03	139,749	.53	140,534	56	283,856	280,283	-1.26
Academic Support	8,328,903	10,067,013	20.87	10,154,387	.87	10,388,505	2.31	10,403,526	.14	20,221,400	20,792,031	2.82
Student Services	6,218,015	7,780,574	25.13	8,203,343	5.43	8,326,567	1.50	8,334,336	.09	15,983,917	16,660,903	4.24
Institutional Support	9,366,026	11,172,265	19.29	10,999,716	-1.54	11,179,066	1.63	11,358,575	1.61	22,171,981	22,537,641	1.65
Plant Operations & Maintenance	10,232,202	11,985,081	17.13	13,319,511	11.13	14,122,986	6.03	14,538,889	2.94	25,304,592	28,661,875	13.27
State Special Appropriation	—	—		—		—		—		—	—	
Systemwide Decision Items	—	—		—		750,000		—		—	750,000	
Total	$71,285,412	$84,297,759	18.25	$87,503,718	3.80	$89,931,249	2.77	$90,309,043	.42	$171,801,477	$180,240,292	4.91
Sources of Funds												
General Fund — Direct	$44,707,195	$55,036,446	23.10	$56,411,851	2.50	$58,137,003	3.06	$58,227,231	.16	$111,448,297	$116,364,234	4.41
General Fund — Open	3,076,964	2,803,268	-8.90	4,067,281	45.09	4,067,281	—	4,067,281	—	6,870,549	8,134,662	18.40
General Fund — Contingency	—	83,973		—		—		—		83,973	—	
Tuition & Fees	14,315,868	16,299,104	13.85	17,004,569	4.33	17,775,201	4.53	17,961,303	1.05	33,303,673	35,736,504	7.30
Federal	5,137,195	6,440,679	25.37	6,551,671	1.72	6,551,671	—	6,551,671	—	12,992,350	13,103,342	85
Others	4,415,328	4,572,307	3.56	3,468,346	-24.14	3,400,093	-1.97	3,501,557	2.98	8,040,653	6,901,650	-14.17
Total	$71,652,550	$85,235,777	18.96	$87,503,718	2.66	$89,931,249	2.77	$90,309,043	.42	$172,739,495	$180,240,292	4.34

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[1] Does not include salary increases for 1977-79 biennium.

TABLE 40

PERCENTAGE DISTRIBUTION OF EXPENDITURES BY PROGRAM AND SOURCE OF INCOME[1]
STATE UNIVERSITY SYSTEM

Program Title	Actual F.Y. 1975	Actual F.Y. 1976	Estimated F.Y. 1977	Agency Request F.Y. 1978	Agency Request F.Y. 1979
Instruction & Departmental Research	47.78	47.63	48.41	47.51	47.87
Separately Budgeted Research	4.15	3.56	2.66	2.56	2.55
Public Service	.17	.17	.16	.16	.16
Academic Support	11.68	11.94	11.60	11.55	11.52
Student Services	8.72	9.23	9.37	9.26	9.23
Institutional Support	13.14	13.25	12.57	12.43	12.58
Plant Operation & Maintenance	14.35	14.22	15.22	15.70	16.10
State Special Appropriations	–	–	–	–	–
System Wide Decision Items	–	–	–	.83	–
Total	100.00	100.00	100.00	100.00	100.00
Source of Funds					
General Fund – Direct	62.39	64.57	64.47	64.65	64.48
General Fund – Open	4.29	3.29	4.65	4.52	4.50
General Fund – Contingency	–	.10	–	–	–
Tuition & Fees	19.98	19.12	19.43	19.77	19.89
Federal	7.17	7.56	7.49	7.29	7.25
Others	6.16	5.36	3.96	3.78	3.88
Total	100.00	100.00	100.00	100.00	100.00

[1] Does not include salary increases for 1977-79 biennium.

TABLE 41

ACTUAL AND REQUESTED EXPENDITURES AND INCOME
PER FULL-TIME EQUIVALENT STUDENT
STATE UNIVERSITY SYSTEM

Expenditures Per Student	Actual 1975	Actual 1976	Estimated 1977	Requested[1] 1978	Requested[1] 1979
Instruction	$1092	$1228	$1261	$1248	$1242
All Other Activities	1194	1350	1345	1378	1352
Total	$2286	$2578	$2606	$2626	$2594
Income Per Student					
General Fund Appropriations	$1434	$1683	$1680	$1698	$1672
Tuition & Fees	459	498	509	519	516
Other Sources	393	397	417	409	406
Total	$2286	$2578	$2606	$2626	$2594

[1] Does not include salary adjustments for F.Y. 1978 and F.Y. 1979.

TABLE 42

ACTUAL AND REQUESTED PERSONNEL EXPENDITURES[1]
STATE UNIVERSITY SYSTEM

						Agency Request						
Personnel Costs	Actual F.Y. 1975	Actual F.Y. 1976	% Change Previous Year	Estimated F.Y. 1977	% Change Previous Year	F.Y. 1978	% Change Previous Year	F.Y. 1979	% Change Previous Year	1975-77 Biennium	1977-79 Biennium	% Change Biennium
Unclassified	$36,015,207	$40,813,993	13.32	$43,916,911	7.60	$44,038,057	.28	$44,413,680	.85	$ 84,730,904	$ 88,451,737	4.39
Management	131,946	122,305	-7.31	95,666	-21.78	95,666	–	95,666	–	217,971	191,332	-12.22
A – Professional	1,829,850	2,273,146	24.23	2,332,310	2.60	2,332,310	–	2,332,310	–	4,605,456	4,664,620	1.28
B – Trades	1,750,879	2,043,723	16.73	2,381,255	16.52	2,381,255	–	2,381,255	–	4,424,978	4,762,510	7.63
C – Clerical	7,567,402	8,828,448	16.66	9,769,777	10.66	9,823,451	.55	9,823,451	–	18,598,225	19,646,902	5.64
Student Help	2,320,050	2,936,066	26.55	2,787,371	-5.06	2,801,728	.52	2,803,461	.06	5,723,437	5,605,189	-2.07
Graduate Assistant	412,687	500,438	21.26	230,483	-53.94	227,730	-1.19	227,730	–	730,921	455,460	-37.69
Fringe Benefits	4,228,270	5,170,983	22.30	5,898,483	14.07	5,929,525	.53	5,972,499	.72	11,069,466	11,902,024	7.52
Total	$54,256,291	$62,689,102	15.54	$67,412,256	7.53	$67,629,722	.32	$68,050,052	.62	$130,101,358	$135,679,774	4.29
Position Counts												
Unclassified	2,179.20	2,231.70	2.41	2,270.20	1.73	2,275.80	.25	2,304.00	1.24	2,270.20	2,304.00	1.49
Management	6.00	5.70	-5.00	4.80	-15.79	4.80	–	4.80	–	4.80	4.80	–
Classified A	142.80	158.50	10.99	154.90	-2.27	154.90	–	154.90	–	154.90	154.90	–
Classified B	156.10	166.40	6.60	175.60	5.53	175.60	–	175.60	–	175.60	175.60	–
Classified C	972.40	998.80	2.71	1,019.70	2.09	1,025.80	.60	1,025.80	–	1,019.70	1,025.80	.60
Total	3,456.50	3,561.10	3.03	3,625.20	1.80	3,636.90	.32	3,665.10	.78	3,625.20[2]	3,665.10[2]	1.10

[1] Does not include salary increases for 1977-79 biennium.

[2] Position Counts those of last year of each biennium.

TABLE 43

NUMBER OF FULL-TIME EQUIVALENT POSITIONS
STATE UNIVERSITY SYSTEM

	Estimated F.Y. 1977			Request F.Y. 1979		
Program Title	**Unclassified**	**Classified**	**Total**	**Unclassified**	**Classified**	**Total**
Instruction & Departmental Research	1785.30	168.40	1953.7	1819.60	170.50	1990.1
Separately Budgeted Research	60.70	22.30	83.0	60.70	22.30	83.0
Public Service	2.60	3.80	6.4	2.60	3.80	6.4
Academic Support	228.70	189.40	418.1	227.20	192.40	419.6
Student Services	91.90	118.10	210.0	92.90	119.10	212.0
Institutional Support	98.90	363.90	462.8	98.90	363.90	462.8
Plant Operation & Maintenance	2.10	489.10	491.2	2.10	489.10	491.2
Total	2270.2	1355.0	3625.2	2304.0	1361.1	3665.1

TABLE 44

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL
(IN CONSTANT DOLLARS)

STATE UNIVERSITY SYSTEM

Expenditures	**1975-76**	**1976-77**	**1978-79**	**1985-86**	**1990-91**	**1995-96**	**2000-01**
Instruction* & Departmental Research	$40,146,949	$41,103,632	$41,407,836	$39,489,804	$33,251,044	$31,343,324	$34,717,926
All Other	44,150,810	44,013,387	44,989,142	45,601,941	41,071,206	38,966,807	40,908,373
Total	$84,297,759	$85,117,019	$86,396,978	$85,091,745	$74,322,250	$70,310,131	$75,626,299
Revenue							
Direct State Appropriations	$55,036,446	$56,377,984	$56,795,232	$54,164,448	$45,607,328	$42,990,688	$47,619,312
Tuition & Fees	$16,299,104	$16,699,159	$16,822,748	$16,043,510	$13,508,891	$12,733,842	$14,104,840
Personnel							
Unclassified Staff	2,231.7	2,285.9	2,302.8	2,196.1	1,849.2	1,743.1	1,930.8
Total Staff	3,561.1	3,648.5	3,675.5	3,505.3	2,951.0	2,782.2	3,081.7

*Instruction based on full-time equivalent projections; all other expenditures based on headcount projections.

TABLE 45

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL (AT 6.6 PERCENT ANNUAL INFLATION RATE)

STATE UNIVERSITY SYSTEM

Expenditures	**1975-76**	**1976-77**	**1978-79**	**1985-86**	**1990-91**	**1995-96**	**2000-01**
Instruction* & Departmental Research	$40,146,949	$43,814,112	$ 50,177,688	$ 74,843,748	$ 86,726,152	$112,558,764	$171,650,382
All Other	44,150,810	46,916,925	54,471,970	86,361,198	107,089,122	139,847,889	202,106,451
Total	$84,297,759	$90,731,037	$104,649,658	$161,204,946	$193,815,274	$252,406,653	$373,756,833
Revenue							
Direct State Appropriations	$55,036,446	$60,108,880	$ 68,809,608	$102,691,872	$119,022,744	$154,455,232	$235,483,962
Tuition & Fees	$16,299,104	$17,804,250	$ 20,381,406	$ 30,417,332	$ 35,254,537	$ 45,749,640	$ 69,750,350
Personnel							
Unclassified Staff	2,231.7	2,285.9	2,302.8	2,196.1	1,849.2	1,743.1	1,930.8
Total Staff	3,561.1	3,648.5	3,675.5	3,505.3	2,951.0	2,782.2	3,081.7

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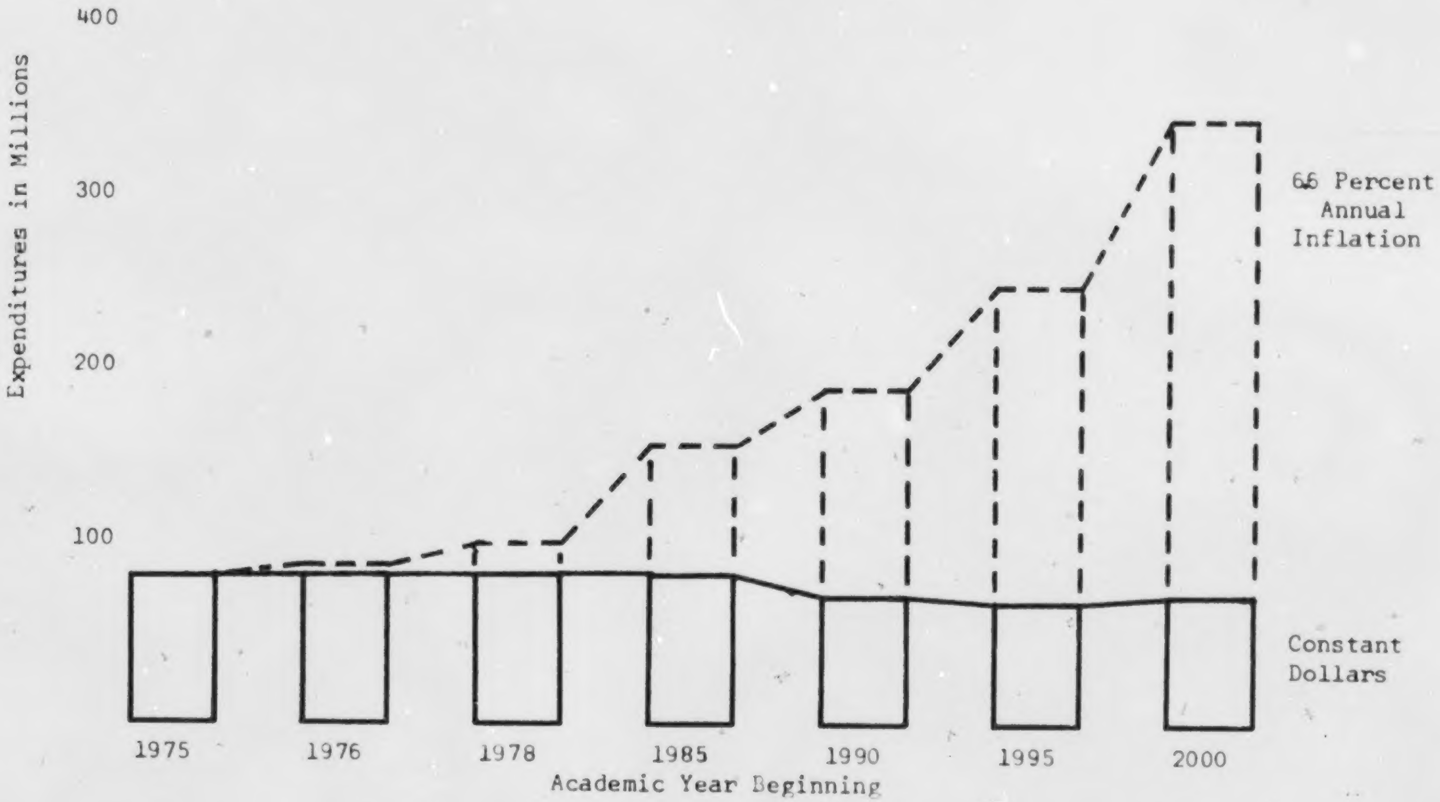
*Instruction based on full-time equivalent projections; all other expenditures based on headcount projections.

FIGURE 11

ACTUAL AND PROJECTED EXPENDITURES IN CONSTANT DOLLARS AND AT 6.6 PERCENT ANNUAL INFLATION RATE STATE UNIVERSITY SYSTEM



COMMUNITY COLLEGE SYSTEM

TABLE 46

ACTUAL AND REQUESTED EXPENDITURES AND INCOME[1] COMMUNITY COLLEGE SYSTEM

						Agency Request						
Program Title	Actual F.Y. 1975	Actual F.Y. 1976	% Change Previous Year	Estimated F.Y. 1977	% Change Previous Year	F.Y. 1978	% Change Previous Year	F.Y. 1979	% Change Previous Year	1975-77 Biennium	1977-79 Biennium	% Change Biennium
Instruction & Department Research	$14,577,769	$17,111,377	17.38	$17,771,769	3.86	$19,082,375	7.37	$19,208,971	.66	$34,883,146	$38,291,346	9.77
Separately Budgeted Research	–	–		–		–		–		–	–	
Public Service	537,441	704,290	31.05	1,013,501	43.90	852,071	-15.93	880,086	3.29	1,732,157	1,732,157	.84
Academic Support	3,056,675	3,737,763	22.28	4,142,382	10.83	3,423,590	-17.35	3,493,284	2.04	7,880,145	6,916,874	-12.22
Student Services	4,657,372	5,808,323	24.71	8,084,183	39.18	8,746,176	8.19	8,928,875	2.09	13,892,506	17,675,051	27.23
Institutional Support	3,537,786	4,426,329	25.12	4,520,769	2.13	4,581,815	1.35	4,604,587	.50	8,947,098	9,186,402	2.67
Plant Operations & Maintenance	3,550,743	3,994,552	12.50	5,707,501	42.88	5,029,699	-11.88	5,288,466	5.14	9,702,053	10,318,165	6.35
State Special Appropriation	–	–		–		535,215		–		–	535,215	
Systemwide Decision Items	–	–		–		–		–		–		
Total	$29,917,786	$35,782,634	19.60	$41,240,105	15.25	$42,250,941	2.45	$42,404,269	.36	$77,022,739	$84,655,210	9.91
Source of Funds												
General Fund – Direct	$18,952,225	$23,357,734	23.25	$25,599,265	9.60	$29,601,808	15.64	$29,565,099	-.12	$48,956,999	$59,166,907	20.85
General Fund – Open	2,308,120	1,408,600	-38.97	2,074,525	47.28	–			–	3,483,125	–	
General Fund – Contingency	–	–		34,575		–				34,575	–	
Tuition & Fees	6,921,299	8,409,340	21.50	11,330,975	34.74	10,985,133	-3.05	11,089,170	.95	19,740,315	22,074,303	11.82
Federal	1,666,730	2,520,789	51.24	2,137,955	-15.19	1,604,000	-24.98	1,680,000	4.74	4,658,744	3,284,000	-29.61
Others	69,412	86,171	24.14	62,810	-27.11	60,000	-4.47	70,000	16.67	148,981	130,000	-12.74
Total	$29,917,786	$35,782,634	19.60	$41,240,105	15.25	$42,250,941	2.45	$42,404,269	.36	$77,022,739	$84,655,210	9.91

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[1] Does not include salary increases for 1977-79 biennium.

TABLE 47

PERCENTAGE DISTRIBUTION OF EXPENDITURES BY PROGRAM AND SOURCE OF INCOME[1] COMMUNITY COLLEGE SYSTEM

Program Title	Actual F.Y. 1975	Actual F.Y. 1976	Estimated F.Y. 1977	Request F.Y. 1978	Request F.Y. 1979
Instruction & Departmental Research	48.73	47.82	43.09	45.16	45.30
Separately Budgeted Research	–	–	–	–	–
Public Service	1.80	1.97	2.46	2.02	2.08
Academic Support	10.22	10.45	10.04	8.10	8.24
Student Services	15.57	16.23	19.60	20.70	21.06
Institutional Support	11.83	12.37	10.96	10.84	10.86
Plant Operation & Maintenance	11.87	11.16	13.84	11.90	12.47
State Special Appropriations	–	–	–	1.27	–
System Wide Decision Items	–	–	–	–	–
Total	100.00	100.00	100.00	100.00	100.00
Source of Funds					
General Fund – Direct	63.35	65.28	62.07	70.06	69.72
General Fund – Open	7.71	3.94	5.03	–	–
General Fund – Contingency	–	–	.08	–	–
Tuition & Fees	23.13	23.50	27.48	26.00	26.15
Federal	5.57	7.04	5.18	3.80	3.96
Others	.23	.24	.15	.14	.17
Total	100.00	100.00	100.00	100.00	100.00

[1] Does not include salary increases for 1977-79 biennium.

TABLE 48

ACTUAL AND REQUESTED EXPENDITURES AND INCOME PER FULL-TIME EQUIVALENT STUDENT COMMUNITY COLLEGE SYSTEM

Expenditures Per Student	Actual 1975	Actual 1976	Estimated 1977	Requested[1] 1978	Requested[1] 1979
Instruction	$ 789	$ 846	$ 875	$ 927	$ 924
All Other Activities	831	924	1154	1125	1115
Total	$1620	$1770	$2029	$2052	$2039
Income Per Student					
General Fund Appropriations	$1151	$1225	$1364	$1438	$1422
Tuition & Fees	375	416	558	534	533
Other Sources	94	129	107	80	84
Total	$1620	$1770	$2029	$2052	$2039

[1] Does not include salary adjustments for F.Y. 1978 and F.Y. 1979.

TABLE 49

ACTUAL AND REQUESTED PERSONNEL EXPENDITURES[1]
COMMUNITY COLLEGE SYSTEM

						Agency Request						
Personnel Costs	Actual F.Y. 1975	Actual F.Y. 1976	% Change Previous Year	Estimated F.Y. 1977	% Change Previous Year	F.Y. 1978	% Change Previous Year	F.Y.1979	% Change Previous Year	1975-77 Biennium	1977-79 Biennium	% Change Biennium
Unclassified	$17,737,102	$20,547,072	15.84	$21,116,744	2.77	$21,454,809	1.60	$21,618,991	.77	$ 41,663,816	$ 43,073,800	3.38
Management	—	—		—		—		—		—	—	
A – Professional	709,064	829,187	16.94	1,052,819	26.97	1,088,004	3.34	1,098,936	1.00	1,882,006	2,186,940	16.20
B – Trades	307,771	392,626	27.57	403,206	2.69	408,677	1.36	408,677	—	795,832	817,354	2.70
C – Clerical	2,655,969	3,308,829	24.58	3,812,097	15.21	3,955,323	3.76	4,007,667	1.32	7,120,926	7,962,990	11.83
Student Help	1,427,976	1,945,195	36.22	2,444,467	25.67	2,495,625	2.09	2,634,917	5.58	4,389,662	5,130,542	16.88
Graduate Assistant	—	—		—		—		—		—	—	
Fringe Benefits	1,811,281	2,269,920	25.32	2,622,270	15.52	2,964,641	13.06	3,003,685	1.32	4,892,190	5,968,326	22.00
Total	$24,649,163	$29,292,829	18.84	$31,451,603	7.37	$32,367,079	2.91	$32,772,873	1.25	$ 60,744,432	$ 65,139,952	7.24
Position Counts												
Unclassified	1,137.40	1,224.90	7.69	1,230.20	.43	1,244.20	1.14	1,257.20	1.04	1,230.20	1,257.20	2.19
Management	—	—		—		—		—		—	—	
Classified A	55.00	57.00	3.64	70.60	23.86	71.50	1.27	72.50	1.40	70.60	72.50	2.69
Classified B	26.00	30.00	15.38	30.00	—	30.00	—	30.00	—	30.00	30.00	—
Classified C	378.00	413.70	9.44	433.40	4.76	443.20	2.26	449.70	1.47	433.40	449.70	3.76
Total	1,596.40	1,725.60	8.09	1,764.20	2.24	1,788.90	1.40	1,809.40	1.15	1,764.20[2]	1,809.40[2]	2.56

[1] Does not include salary increases for 1977-79 biennium

[2] Position Counts those of last year of each biennium.

TABLE 50

NUMBER OF FULL-TIME EQUIVALENT POSITIONS
COMMUNITY COLLEGE SYSTEM

	Estimated F.Y. 1977			Request F.Y. 1979		
Program Title	Unclassified	Classified	Total	Unclassified	Classified	Total
Instruction & Departmental Research	943.70	23.60	967.30	982.20	31.40	1013.6
Separately Budgeted Research	—	—	—	—	—	—
Public Service	15.00	19.60	34.60	14.00	9.70	23.7
Academic Support	83.80	105.70	189.50	57.80	102.10	159.9
Student Services	152.70	81.80	234.50	170.40	111.10	281.5
Institutional Support	35.00	148.70	183.70	32.80	125.90	158.7
Plant Operation & Maintenance	—	154.60	154.60	—	172.00	172.0
Total	1230.20	534.00	1764.20	1257.20	552.20	1809.4

TABLE 51

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL (IN CONSTANT DOLLARS)

COMMUNITY COLLEGE SYSTEM

Expenditures	1975-76	1976-77	1978-79	1985-86	1990-91	1995-96	2000-01
Instruction & Departmental Research	$17,111,377	$18,047,394	$18,446,643	$17,775,369	$17,344,314	$15,924,762	$16,584,318
All Other	18,671,257	19,692,624	20,121,607	20,912,712	21,099,240	19,692,624	19,571,520
Total	$35,782,634	$37,740,018	$38,568,250	$38,688,081	$38,443,554	$35,617,386	$36,155,638
Revenue							
Direct State Appropriations	$23,357,734	$24,623,804	$25,168,538	$24,252,654	$23,664,524	$21,727,692	$22,627,588
Tuition & Fees	$ 8,409,340	$ 8,864,569	$ 9,060,674	$ 8,730,955	$ 8,519,229	$ 7,821,969	$ 8,145,932
Personnel							
Unclassified Staff	1,224.9	1,291.9	1,320.5	1,272.4	1,241.6	1,140	1,187.2
Total Staff	1,725.6	1,819.6	1,859.8	1,792.6	1,748.7	1,606	1,672.1

*Instruction based on full-time equivalent projections, all other expenditures based on headcount projections.

TABLE 52

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL (AT 6.6 PERCENT ANNUAL INFLATION RATE)

COMMUNITY COLLEGE SYSTEM

Expenditures	1975-76	1976-77	1978-79	1985-86	1990-91	1995-96	2000-01
Instruction* & Departmental Research	$17,111,377	$19,233,304	$22,347,546	$33,660,645	$ 45,236,126	$ 57,192,156	$ 81,950,704
All Other	18,671,257	20,994,148	24,669,552	39,631,993	55,021,725	70,706,706	96,732,800
Total	$35,782,634	$40,227,452	$47,017,098	$73,292,638	$100,257,851	$127,898,862	$178,683,504
Revenue							
Direct State Appropriations	$23,357,734	$26,240,954	$30,479,937	$45,956,868	$ 61,710,116	$ 78,006,600	$111,810,402
Tuition & Fees	$ 8,409,340	$ 9,446,743	$10,972,777	$16,544,472	$ 22,215,642	$ 28,082,376	$ 40,251,745
Personnel							
Unclassified Staff	1,224.9	1,291.9	1,320.5	1,272.4	1,241.6	1,140	1,187.2
Total Staff	1,725.6	1,819.6	1,859.8	1,792.6	1,748.7	1,606	1,672.1

*Instruction based on full-time equivalent projections, all other expenditures based on headcount projections.

FIGURE 12

ACTUAL AND PROJECTED EXPENDITURES IN CONSTANT DOLLARS AND AT 6.6 PERCENT ANNUAL INFLATION RATE
COMMUNITY COLLEGE SYSTEM

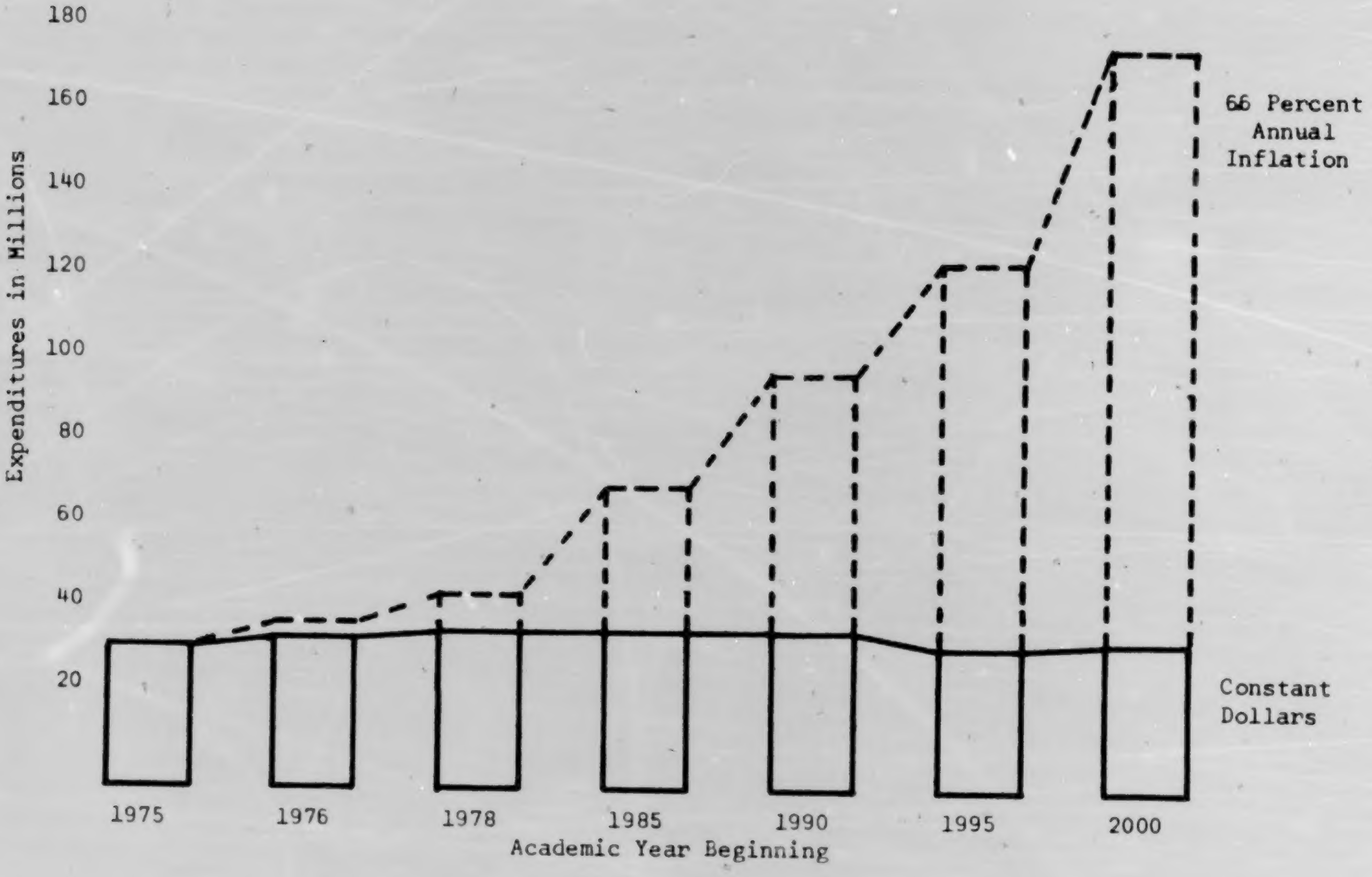

TABLE 53

ACTUAL AND ESTIMATED EXPENDITURES AND INCOME AREA VOCATIONAL-TECHNICAL INSTITUTE SYSTEM

						Agency Request						
Program Title	Actual F.Y. 1975	Actual F.Y. 1976	% Change Previous Year	Estimated F.Y. 1977	% Change Previous Year	F.Y. 1978	% Change Previous Year	F.Y. 1979	% Change Previous Year	1975-77 Biennium	1977-79 Biennium	% Change Biennium
Instruction & Departmental Research	$42,448,281	$ 53,103,279	25.10	$ 58,901,289	9.39	$ 67,750,109	16.63	$ 73,202,801	8.05	$111,194,568	$140,952,910	26.76
Separately Budgeted Research	1,126,323	1,409,042	25.10	1,589,451	12.80	1,349,521	-15.10	1,445,632	7.12	2,998,493	2,795,153	-6.78
Public Service	NA	NA		NA		NA		NA		NA	NA	
Academic Support	5,702,008	7,133,276	25.10	7,816,784	9.58	8,313,123	6.35	8,788,862	5.72	14,950,060	17,101,985	14.39
Student Services	8,377,024	10,479,752	25.10	14,205,857	35.56	15,533,242	9.34	16,663,324	7.28	24,685,609	32,196,566	30.43
Institutional Support	6,139,396	7,646,117	24.54	8,457,591	10.61	8,707,203	2.95	9,086,142	4.35	16,103,708	17,793,345	10.49
Plant Operations & Maintenance	6,898,726	8,630,384	25.10	9,463,737	9.66	11,415,640	20.63	12,050,036	5.56	18,094,121	23,465,676	29.69
State Special Appropriations	–	22,358,000	–	29,604,857	32.41	20,618,268	-30.36	19,714,210	-4.38	51,962,857	40,332,478	-22.38
System Wide Decision Items	–	–		–		3,505,629	–	3,702,395	5.61	–	7,208,024	–
Total	$70,691,758	$110,759,850	56.68	$129,229,566	16.68	$137,192,735	6.16	$144,653,402	5.44	$239,989,416	$281,846,137	17.44
Sources of Funds												
General Fund – Direct	$64,889,653	$ 76,032,377	17.17	$ 87,476,965	15.05	$ 96,771,711	10.63	$101,730,187	5.12	$163,509,342	$198,501,898	21.40
General Fund – Open	–	–		–		–		–		–	–	
General Fund – Contingency	–	–		–		2,921,357	–	3,085,330	5.61	–	6,006,687	–
Tuition & Fees	2,004,005	2,310,584	15.30	2,130,967	-7.77	2,258,396	5.98	2,366,033	4.77	4,441,551	4,624,429	4.12
Federal	739,336	2,957,586	300.03	2,393,586	-19.07	3,748,365	56.60	3,748,365	0.00	5,351,172	7,496,730	40.10
Others	3,058,764	29,459,303	863.11	37,228,048	26.37	34,414,263	-7.56	36,808,817	6.96	66,687,351	71,223,080	6.80
Total	$70,691,758	$110,759,850	56.86	$129,229,566	16.68	$140,114,092	8.42	$147,738,732	5.44	$239,989,416	$287,852,824	19.94

TABLE 54

PERCENTAGE DISTRIBUTION OF EXPENDITURES BY PROGRAM AND SOURCE OF INCOME AREA VOCATIONAL-TECHNICAL INSTITUTE SYSTEM

Program Title	Actual F.Y. 1975	Actual F.Y. 1976	Estimated F.Y. 1977	Agency Request F.Y. 1978	Agency Request F.Y. 1979
Instruction & Departmental Research	60.05	47.94	44.95	49.38	50.61
Separately Budgeted Research	1.59	1.27	1.23	.98	1.00
Public Service	NA	NA	NA	NA	NA
Academic Support	8.07	6.44	6.05	6.06	6.08
Student Services	11.85	9.46	10.99	11.32	11.52
Institutional Support	8.68	6.90	6.54	6.35	6.28
Plant Operations & Maintenance	9.76	7.79	7.32	8.32	8.33
State Special Appropriations	–	20.19	22.91	15.03	13.63
System Wide Decision Items	–	–	–	2.56	2.56
Total	100.00	100.00	100.00	100.00	100.00
Sources of Funds					
General Fund – Direct	91.79	68.65	67.69	69.07	68.86
General Fund – Open	–	–	–	–	–
General Fund – Contingency	–	–	–	2.08	2.09
Tuition & Fees	2.83	2.09	1.65	1.61	1.60
Federal	1.05	2.67	1.85	2.68	2.54
Others	4.33	26.60	28.81	24.56	24.91
Total	100.00	100.00	100.00	100.00	100.00

TABLE 55

ACTUAL AND REQUESTED PERSONNEL EXPENDITURES AREA VOCATIONAL-TECHNICAL INSTITUTE SYSTEM

Personnel Costs	Actual F.Y. 1975	Actual F.Y. 1976	% Change	Estimated F.Y. 1977	% Change	Request F.Y. 1978	% Change	Request F.Y. 1979	% Change	1975-77 Approp.	1977-79 Request	% Change
Unclassified	$33,749,902	$42,221,510	25.10	$52,068,130	23.32	$55,200,705	6.02	$58,239,303	5.50	$ 94,289,640	$113,440,008	20.31
Management	265,264	299,825	13.03	375,699	25.31	375,699	0.00	375,699	0.00	675,524	751,398	11.23
Fringe Benefits	2,558,731	3,198,688	25.01	3,488,957	9.07	4,000,332	14.66	4,302,194	7.55	6,687,645	8,302,526	24.15
Total	$36,573,897	$45,720,023	25.01	$55,932,786	22.34	$59,576,736	6.51	$62,917,196	5.61	$101,652,809	$122,493,932	20.50
Position Counts												
Unclassified	1,749.50	1,900.20	8.61	2,884.20	51.78	3,107.70	7.75	3,118.20	.34	2,884.20	3,118.20	8.11
Management	20.20	17.90	-11.39	18.70	4.47	18.70	0.00	18.70	0.00	18.70	18.70	0.00
Unclassified/ Non-Professional	631.40	685.90	8.63	1,003.40	46.29	1,106.00	10.23	1,162.70	5.13	1,003.40	1,162.70	15.88
Total	2,401.10	2,604.00	8.45	3,906.30	50.01	4,232.40	8.35	4,299.60	1.59	3,906.30[1]	4,299.60[1]	10.07

[1] Position Counts those of last year of each biennium.

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TABLE 56

ACTUAL AND REQUESTED EXPENDITURES AND INCOME PER AVERAGE DAILY MEMBERSHIP ENROLLMENT AREA VOCATIONAL-TECHNICAL INSTITUTE SYSTEM

Expenditures Per Student	Actual 1975	Actual 1976	Estimated 1977	Requested 1978	Requested 1979
Instruction	$1,665	$1,857	$1,863	$2,064	$2,143
All Other Activities	1,107	2,016	2,281	2,116	2,092
Total	$2,772	$3,873	$3,144	$4,180	$4,235
Income Per Student					
General Fund Appropriations	$2,545	$2,658	$2,805	$2,948	$2,978
Tuition & Fees	79	81	68	69	69
Other Sources	148	1,134	1,271	1,252	1,278
Total	$2,772	$3,873	$4,144	$4,269	$4,325

TABLE 57

NUMBER OF FULL-TIME EQUIVALENT POSITIONS AREA VOCATIONAL-TECHNICAL INSTITUTES

	Estimated F.Y. 1977			Request F.Y. 1979		
Program Title	Professional[1]	Non-Professional	Total	Professional[1]	Non-Professional	Total
Instruction & Departmental Research	2360.10	163.70	2523.80	2547.50	200.00	2747.5
Separately Budgeted Research	32.70	39.40	72.10	31.00	37.80	68.8
Public Service	—	—	—	—	—	—
Academic Support	219.10	255.80	474.90	236.40	302.70	539.1
Student Services	157.60	72.10	229.70	177.10	82.50	259.6
Institutional Support	133.40	121.40	254.80	144.90	143.40	288.3
Plant Operation & Maintenance	—	351.00	351.00	—	396.30	396.3
Total	2902.90	1003.40	3906.30	3136.90	1162.70	4299.6

[1] Includes management personnel.

TABLE 58

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL
(IN CONSTANT DOLLARS)

AREA VOCATIONAL-TECHNICAL INSTITUTES

Expenditures	1975-76	1976-77	1978-79	1985-86	1990-91	1995-96
Instruction* & Departmental Research	$ 53,103,279	$ 55,700,715	$ 61,734,108	$ 61,776,819	$ 58,907,754	$ 56,603,217
All Other	57,656,571	60,469,920	67,019,904	67,066,272	63,951,552	61,449,696
Total	$110,759,850	$116,170,635	$128,754,012	$128,843,091	$122,859,306	$118,052,913
Revenue						
Direct State Appropriations	$ 76,032,377	$ 79,726,710	$ 88,362,552	$ 88,423,686	$ 84,317,076	$ 81,018,498
Tuition & Fees	$ 2,310,584	$ 2,429,595	$ 2,692,764	$ 2,694,627	$ 2,569,482	$ 2,468,961
Personnel						
Unclassified Staff	1,900.2	1,993.0	2,208.9	2,210.4	2,107.8	2,025.3
Total Staff	2,604.0	2,731.8	3,027.7	3,029.8	2,889.1	2,776.1

*Projections based on headcount enrollments adjusted by the relationship of full-time equivalent to headcount for 1975-76.

TABLE 59

PROJECTED EXPENDITURES, REVENUE AND PERSONNEL
(AT 6.6 PERCENT ANNUAL INFLATION RATE)

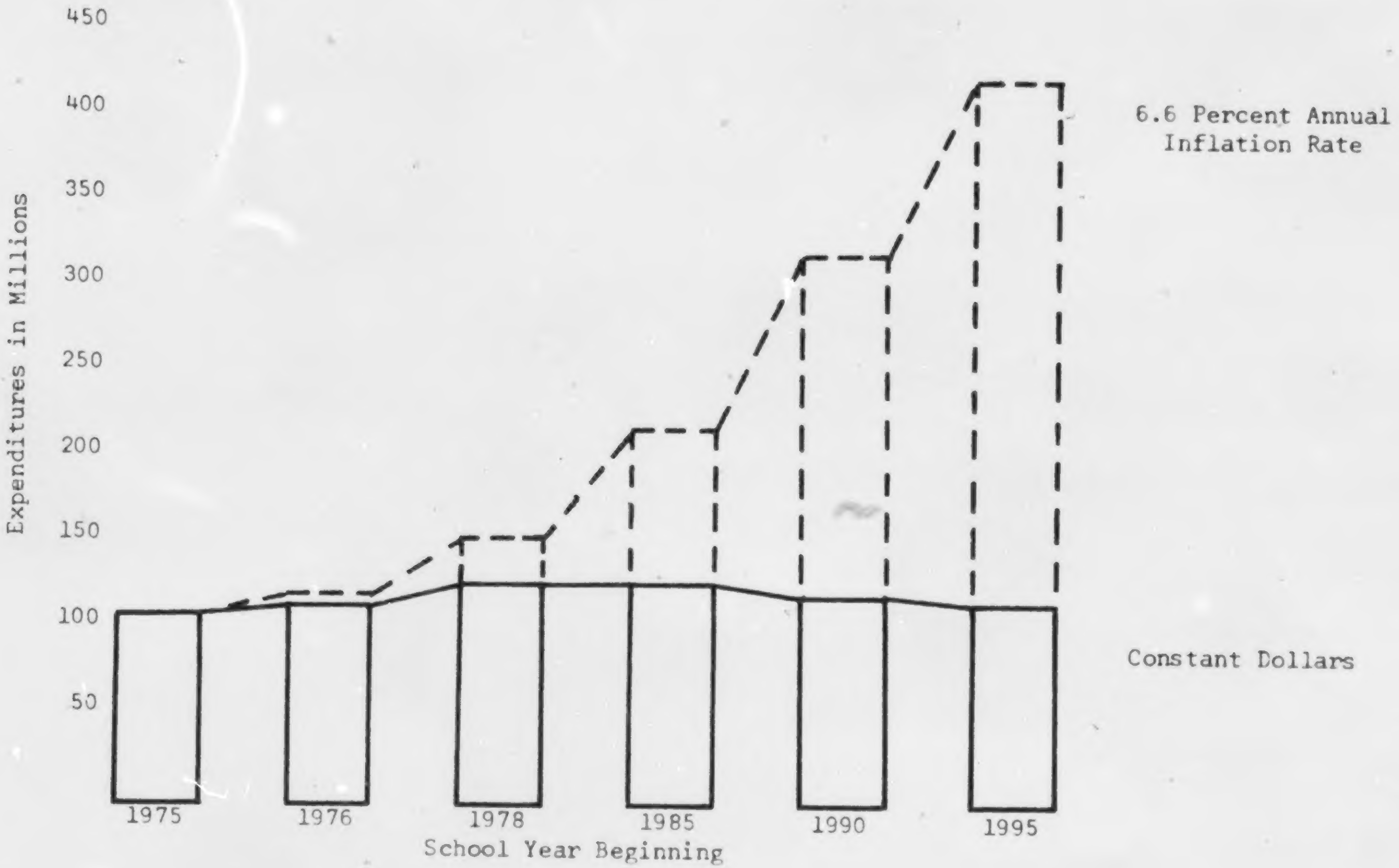
AREA VOCATIONAL-TECHNICAL INSTITUTES

Expenditures	1975-76	1976-77	1978-79	1985-86	1990-91	1995-96
Instruction* & Departmental Research	$ 53,103,279	$ 59,390,100	$ 74,799,000	$117,099,840	$153,693,090	$203,277,789
All Other	57,656,571	64,459,255	81,215,092	127,079,940	166,762,554	220,621,478
Total	$110,759,850	$123,849,355	$156,014,092	$244,179,780	$320,455,644	$423,899,267
Revenue						
Direct State Appropriations	$ 76,032,377	$ 84,975,835	$107,012,436	$167,432,811	$219,738,294	$290,605,854
Tuition & Fees	$ 2,310,584	$ 2,579,570	$ 3,257,912	$ 5,056,584	$ 6,629,898	$ 8,809,009
Personnel						
Unclassified Staff	1,900.2	1,993.0	2,208.9	2,210.4	2,107.8	2,025.3
Total Staff	2,604.0	2,731.8	3,027.7	3,029.8	2,889.1	2,776.1

*Projections based on headcount enrollments adjusted by the relationship of full-time equivalent to headcount for 1975-76.

FIGURE 13

ACTUAL AND PROJECTED EXPENDITURES IN CONSTANT DOLLARS AND AT 6.6 PERCENT ANNUAL INFLATION RATE AREA VOCATIONAL-TECHNICAL INSTITUTES



APPENDIX D

NURSING EDUCATION DATA

TABLE 60: GRADUATES FROM LPN-PREPARING PROGRAMS BY PROGRAM FOR SCHOOL YEARS ENDING IN 1967-1975[1]

Programs	School Years 1967	1968	1969	1970	1971	1972	1973	1974	1975
NORTHWESTERN									
Agassiz Valley School					24	24	28	27	30
Bemidji AVTI	15	15	14	16	16	16	16	17	35
Crookston	16	18	16	12					
St. Francis	17	17	15	9					
Thief River Falls	20	17	19	20	18	20	19	17	19
Total	68	67	64	57	58	60	63	61	84
NORTHEASTERN									
Duluth AVTI	52	59	55	68	84	87	74	77	77
Eveleth AVTI				26	42	39	38	34	38
Grand Rapids (Itasca CC)	23	24	23	26	29	39	43	43	43
Virginia	21	20	18						
Total	96	103	96	120	155	165	155	153	158
WEST CENTRAL									
Alexandria AVTI	19	17	22	19	22	22	21	21	21
Detroit Lakes AVTI	13	16	16	20	20	30	27	30	30
Fergus Falls CC	17	17	20	19	26	28	29	27	39
Total	49	50	58	58	68	80	77	78	90
CENTRAL									
Brainerd AVTI	24	26	33	48	45	48	57	43	46
St. Cloud AVTI	23	29	26	26	31	28	26	30	30
Total	47	55	59	74	76	76	83	73	76
SOUTHWEST									
Meeker Co.	16	15	15	15	20				
Willmar AVTI	34	32	29	37	27	64	68	54	54
Worthington CC					13	20	21	21	25
Total	50	47	44	52	60	84	89	75	79
SOUTH CENTRAL									
Mankato AVTI			26	29	41	40	38	47	42
New Ulm School	18	17	14	17	21	22	18	23	23
St. Joseph's	32	33							
Total	50	50	40	46	62	62	56	70	65
SOUTHEAST									
Austin AVTI	22	22	21	21	27	25	26	30	28
Faribault AVTI	28	29	28	31	27	23	32	32	32
Red Wing AVTI	20	28	27	28	31	32	30	30	31
Rochester AVTI		25	30	30	41	42	81	37	44
Rochester Sch. (St. Mary's)	79	88	85	88	103	104	41	81	82
Winona AVTI	19	20	20	27	28	31	30	29	28
Total	168	212	211	225	257	257	240	239	245
METROPOLITAN									
Anoka Henn. AVTI		30	39	82	107	87	104	101	101
Bethesda	32	36	41	36	32	27	27		
Dakota Co. AVTI							19	17	21
Glenwood Hills	46								
Hastings	18	18	19	17	21	20			
Miller Hosp. — Voc.	73	43	38	37	30				
Minneapolis AVTI	74	84	133	141	152	154	139	122	124
St. Paul AVTI				25	29	28	29	54	54
Suburban Henn. AVTI						36	35	35	37
United Hosp. — Voc.						33	31		
University of Minnesota	38								
Total	281	211	270	338	371	385	384	329	337
GRAND TOTAL	809	795	842	970	1107	1169	1147	1078	1134

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[1] School Year: a 12 month period running from fall through summer terms as determined by the educational institution.

TABLE 61: GRADUATES FROM RN PREPARING PROGRAMS BY PROGRAM FOR SCHOOL YEARS ENDING IN 1967-75[1]

	School Years								
Programs	**1967**	**1968**	**1969**	**1970**	**1971**	**1972**	**1973**	**1974**	**1975**
ASSOCIATE DEGREE									
Anoka-Ramsey C.C.		0	51	58	73	104	82	80	81
Austin CC							0	44	45
Hibbing CC	21	20	30	28	42	43	39	40	37
Metropolitan CC					0	67	85	67	92
Normandale CC								0	52
North Hennepin CC						0	57	65	58
Rochester CC			0	116	169	215	269	308	245
St. Mary's J.C.	154	171	127	145	137	175	163	168	212
Total	175	191	208	347	421	604	695	772	822
BACCALAUREATE DEGREE									
Coll. of St. Benedict					0	0	25	37	43
Coll. of St. Catherine	35	41	48	46	39	47	50	60	69
Coll. of St. Scholastica	20	21	31	22	29	25	34	57	71
Coll. of St. Teresa	57	57	65	84	74	72	82	83	100
Gustavus Adolphus Coll.	21	33	34	36	41	46	50	41	42
Mankato State Coll.	15	20	27	36	33	39	49	69	48
St. Olaf Coll.	48	44	42	42	42	40	48	63	63
University of Minnesota	66	74	81	74	67	70	101	101	129
Winona State Coll.	0	15	14	23	23	32	47	65	61
Total	262	305	342	363	348	371	486	576	626
DIPLOMA									
Abbott	48	39	39	46	47	47			
Abbott-Northwestern					0	0	119	105	116
Ancker	39	67	71	74	65	73	62	58	69
Fairview	46	36	33	39	45	34	33	48	47
Hennepin County	34	37	22	25	22	22	33	25	
Lutheran Deaconess	39	35	31	48	41	46	41	38	43
Methodist	27	33	49	33	41	37	29	50	44
Methodist-Kahler	64	64	61	51	3				
Mounds-Midway	33	42	40	31	38	42	39	50	38
Naeve	19	19	17	24	22	17	17	20	
Northwestern	55	67	62	72	69	69			
St. Barnabas	40	49	46	40	44	37	30		
St. Cloud	40	42	40	45	48	65	53	59	65
St. Gabriel's	25	24	27	20					
St. Luke's	52	63	52	50	56	56	55	57	66
St. Mary's, Rochester	124	92	54	49	1				
Swedish	70	54	60	52	62	52	65		
Total	755	765	695	699	604	597	576	510	488
GRAND TOTAL	1192	1261	1245	1409	1373	1572	1757	1858	1936
RN + LPN GRAND TOTAL	2001	2056	2087	2379	2480	2741	2904	2936	3069

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[1] School Year: a 12 month period running from fall through summer terms as determined by the educational institution.

Graduates of Baccalaureate RN programs include only those preparing for licensure.

PLACEMENT OF GRADUATES

Summaries of placement experiences of graduates of each level of nursing education programs are given below, and the tables that follow provide information about each school. Note that each educational system has its own data collection methods, so it is important to read column headings and footnotes on each table before drawing conclusions or making comparisons.

Practical Nurses

Of the AVTI graduates, about 95% of those reported to be available for work were working full time as LPNs or in closely related work within a few months of their graduation. (Employment information was available for about 90% of the program completers.)

Of the Community College practical nurse program graduates, about 81% of all graduates were placed. An unknown number of the 19% not placed were not available for work, for a variety of reasons including travel, maternity, further education.

Associate Degree Nurses

Of the eight associate degree programs in the state, seven are in Community Colleges. Of their graduates, about 86% were employed as RNs or in closely related work within a few months of graduation or went on for further education. Of those not placed, an unknown number were not available for placement for a variety of reasons including maternity, travel, health.

The one associate degree program in a private junior college reported that 86% of the graduates responding to its survey were working full time as nurses; there was no information about the availability for work of the other 14%.

Diploma Programs

Of the four diploma programs in the state that are still enrolling entering students, only two had 1975 graduate placement information. Both reported 100% placement. A third reported 100% placement of all respondents to a 1974 graduate survey.

Baccalaureate Programs

Graduate placement information was available for 1975 for five of the nine baccalaureate programs, and information for two more programs was available for other years. Five programs reported 100% placement of all respondents available for work, and two programs reported 99% placement.

TABLE 62

PLACEMENT OF 1975 GRADUATES OF PRACTICAL NURSE PROGRAMS

School	Number of Graduates*	Survey Respondents	Employment		
			Available for Work	Number Employed** Full Time	Percentage of Available Respondents
AVTI SYSTEM					
Alexandria	21	21	18	18	100
Anoka	108	101	97	94	97
Austin	29	29	28	28	100
Bemidji	17	16	16	12	75
Brainerd	51	51	49	46	94
Dakota	21	20	19	17	89
Detroit Lakes	29	29	28	28	100
Duluth	77	63	58	46	79
Eveleth	38	37	33	27	82
Faribault	32	25	25	25	100
Mankato	40	32	31	31	100
Minneapolis	125	—	128**	128	100
Rochester	44	44	41	41	100
Suburban Hennepin	36	35	29	29	100
St. Cloud	32	29	25	22	88
Thief River Falls	19	18	16	16	100
Willmar	54	54	53	53	100
Winona	29	29	29	26	90
TOTALS	802	727	723	687	95%

*Number of graduates reported by schools do not always correspond with Board of Nursing tables because of differences in reporting dates.

**Employment in nursing or closely related field. For the AVTI system, placement totals include those who did not complete the program but did acquire useful skills. Noncompleters for the state totalled 45.

TABLE 62

PLACEMENT OF 1975 GRADUATES OF PRACTICAL NURSE PROGRAMS (Continued)

School	Graduates	Number Placed*	Percentage Placed**
COMMUNITY COLLEGE SYSTEM			
Fergus Falls	39	30	77%
Itasca	43	30	70%
Rainy River	14	13	93%
Worthington	25	25	100%
PRIVATE SCHOOL			
Rochester (St. Mary's)	77	77	100%

*"Number Placed" includes those in nursing, in related occupations, or in further education.

**"Percentage Placed" is percentage of all graduates. No information is available about number of respondents.

TABLE 63

PLACEMENT OF 1975 GRADUATES OF ASSOCIATE DEGREE NURSING PROGRAMS

			Employment		
School	Number of Graduates	Respondents	Number Placed*	Percentage of All Graduates Placed**	Percentage Placed
COMMUNITY COLLEGE SYSTEM					
Anoka-Ramsey	81	—	81	100%	—
Austin	45	—	34	75	—
Hibbing	37	—	43***	—	—
Inver Hills-Lakewood	—	—	—	—	—
Metropolitan	92	—	60	65	—
Normandale	52	—	40	77	—
North Hennepin	58	—	45	78	—
Rochester	245	170	163****	—	96%
PRIVATE COLLEGE					
St. Mary's J.C.	212	96	81****	—	83

*"Number Placed" includes in nursing, in a related occupation, or in further education.

**"Percentage Placed" is percentage of all graduates. No information is available about number of respondents.

***Includes unspecified number of non-completers.

****Full time employment only; excludes those in further education.

TABLE 64

PLACEMENT OF 1975 GRADUATES OF BACCALAUREATE NURSING PROGRAMS

School	Number of Graduates*	Survey Respondents	Employment		
			Available for Work**	Number in Nursing	Percentage of Available Respondents
College of St. Benedict	43	39	38	38	100%
College of St. Catherine	69	69	67	67	100%
College of St. Scholastica	75	75	74	74	100%
College of St. Teresa	97	97	93	92	99%
Gustavus Adolphus	46	43	43	43	100%
Mankato State University	48	—	not available for 1975	—	—
Aggregate 1973-4-5:	(150)***	(96)	(88)	(87)	(99%)
St. Olaf College	63	—		—	—
University of Minnesota	129	—	not available	—	—
Winona State University	61	—	not available for 1975	—	—
1974:	(64)***	(37)	(37)	(37)	(100%)

*Numbers of graduates reported by schools do not always correspond with Board of Nursing tables because of differences in reporting dates.

**Of those unavailable for work, the majority was in graduate school.

***Numerals in parentheses ( ) give information for years other than 1975.

TABLE 65 J.O.L.T.

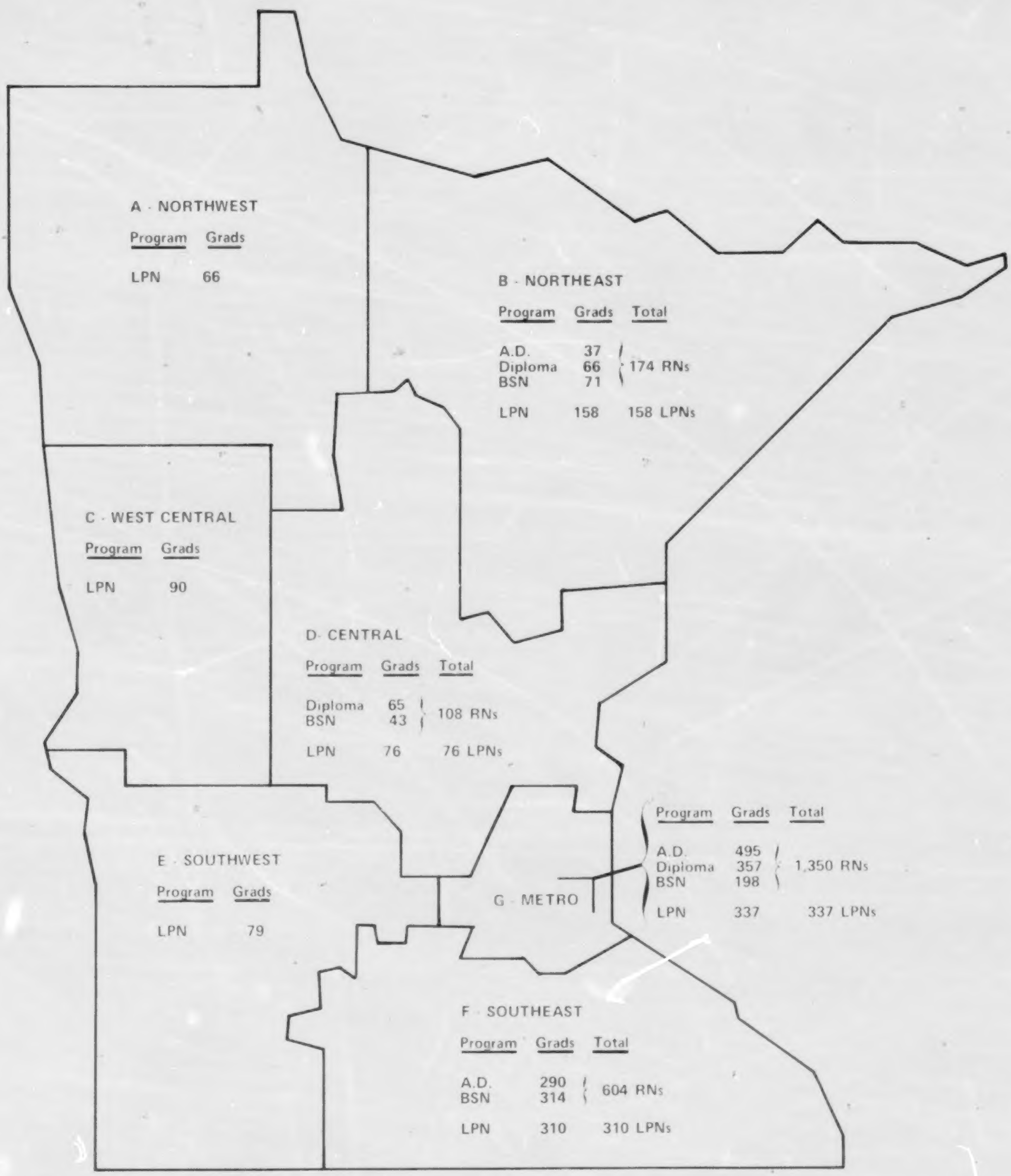
ESTIMATED STATEWIDE TOTALS, BUDGETED VACANCIES FOR NURSES IN MINN. BY QUARTERS, 1974-6

Type of Position	1974				1975				1976			
	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
RN	17	21	14	11	18	19	7	10	26	39		
Supervisory	2	2	6	0	7	0	0	0	0	4		
Nursing Instruction	65	56	23	10	23	19	9	5	14	11		
Nurse Anesthetist	203	283	302	135	125	262	231	196	323	380		
RN Misc.	0	2	3	6	8	5	0	3	4	0		
TOTAL	287	364	348	162	181	305	247	214	367	434		
Licensed Practical Nurse	109	197	231	205	164	175	134	160	143	201		
GRAND TOTAL	396	561	579	367	345	480	381	374	510	635		

SOURCE: Department of Employment Services,
Job Openings Labor Turnover (JOLT) Program

NOTE: These data are useful as indicators of demand trends from one year to the next. They are not, however, give a complete picture of demand for nurses. On the one hand, they do not include positions employers do not expect to be able to fill, and therefore do not include in their budgets. Nor do the data include newly developing roles for nurses that have not yet been formalized as budgeted vacancies. On the other hand, the data do include as budgeted vacancies numerous long-term vacancies that are difficult to fill because of undesirable hours, locations or salaries.

FIGURE 14
1975 GRADUATES OF THE LEVELS OF NURSING EDUCATION PROGRAMS IN MINNESOTA, BY REGION


A - NORTHWEST
Program Grads
LPN 66
B - NORTHEAST
Program Grads Total
A.D. 37
Diploma 66
BSN 71
174 RNs
LPN 158 158 LPNs
C - WEST CENTRAL
Program Grads
LPN 90
D- CENTRAL
Program Grads Total
Diploma 65
BSN 43
108 RNs
LPN 76 76 LPNs
E - SOUTHWEST
Program Grads
LPN 79
G - METRO
Program Grads Total
A.D. 495
Diploma 357
BSN 198
1,350 RNs
LPN 337 337 LPNs
F - SOUTHEAST
Program Grads Total
A.D. 290
BSN 314
604 RNs
LPN 310 310 LPNs

DOCUMENTATION OF NEED FOR GRADUATE EDUCATION FOR NURSING PROGRAM FACULTY

I. Master's Education:

A. The Minnesota Board of Nursing rules (Nursing R.N. 71) state that the "minimum qualifications for diploma and associate degree programs faculty members should be a baccalaureate level of preparation and for baccalaureate programs, a master's level of preparation."

1. 21% (37 out of 175) of the faculty in baccalaureate programs hold a B.S. as the highest earned credential.*
2. Board of Nursing minutes show that the preparation of directors of all RN-preparing programs should be at the Master's level. Twenty-five percent (four out of sixteen) of the directors do not have a master's degree.

B. The current criteria of the National League of Nursing for accreditation of nursing programs include the following statements:

1. For B.S. programs: "faculty members . . . are qualified in that they have graduate education . . ."
    a. 21% (37 out of 175) of the faculty in Minnesota B.S. programs have less than a master's degree.*
2. For Diploma programs: the Director should have a master's degree and faculty should either have a master's degree or have started study toward the master's degree.
    a. 17% (one out of six) of the directors in Minnesota do not have a master's degree.*
    b. Over 78% (141 out of 179) of the faculty have a B.S. or less as the highest earned credential.*
3. For A.D. programs: "faculty members are academically and professionally qualified in that they have master's degrees . . .". Faculty with B.S. preparation may be hired if they have adequate guidance and supervision from master's-prepared faculty.
    a. 30% (three out of ten) directors do not have a master's degree.
    b. 59% (77 out of 130) faculty hold a B.S. or A.D. as their highest earned credential.*

C. Additional faculty are needed for the planned expansion of the B.S. programs. Expansion already planned beyond the 1975 graduates total 225, which would require 22 faculty on the basis of a 1:10 ratio. 28 additional faculty would be needed to increase the B.S. graduates to ⅓ of the total number of nurses. Therefore, it is projected that an additional 50 nurses would be needed at the master's level to meet the needs of the proposed baccalaureate expansion.

II. Doctoral:

A. The current criteria from the National League for Nursing for the accreditation of baccalaureate programs states that programs "seek to increase the number of faculty who hold doctoral degrees."

1. 4 out of 9 (45%) of the Directors of B.S. programs in Minnesota do not have a doctorate.* This is comparable to the data in the nation, reflecting a national deficit in numbers of doctorally prepared nurses.
2. Only 8 out of 175 (less than 5%) of the B.S. programs' faculty had a doctoral degree as the highest earned credential.

B. Geographically, Minnesota is located in an under-served area. The closest doctoral programs in nursing are in Chicago to the East, Kansas City to the South, and Denver to the West.

C. Expansion of the master's level programs would require doctoral level faculty on the suggested ratio of 1 faculty for every 8 students.

D. Research — No data are available, but the need has been expressed by the nursing community, including educators, employers and practitioners.

NEED FOR GRADUATE EDUCATION IN NURSING

III. Service

Service — Public Health Nursing

There is both a present and future need in public health nursing for nurses prepared at the graduate level. Public Health Nursing (Community Health Nursing) agencies in Minnesota have increased in size as well as number and are continually adding new service programs. In addition to the preventive and health promotional services provided to individuals and families in their homes, at school and work, most of the public health nursing agencies in Minnesota are certified by the Social Security Administration as Medicare providers of home care for the ill and disabled. From a beginning of one program in 1974, the majority of the 35 approved Early and Periodic Screening of Children programs in 1976 have been established by local public health nursing agencies. Screening for hypertension, glaucoma, diabetes and managing immunization programs are often services provided by public health nursing agencies. Several Federal (W.I.C.) and State (M.C.N.) nutrition programs for needy women and children are managed by public health nursing agencies as contracted services through the Minnesota Department of Health.

The addition of a variety of health personnel (aides, therapists, bookkeepers) to work in the expanding service programs, the charging of fees for some services with resulting audits, the need to develop and manage contracts (i.e. Welfare, Head Start, the Minnesota Department of Health, schools), the continual process of evaluating and planning programs locally and on an area-wide basis — all of these plus an increasing demand for accountability and the assurance of quality, cost-effective services are demanding more sophisticated administrative, supervisory, and management skills of the Senior Nurse or Director of Nursing.

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*Data taken from the 1974-75 annual Minnesota Board of Nursing reports.

There currently are 79 public health agencies in Minnesota, of which only eight are organized multi-service health departments (five city and three county). The rest of the agencies are county public health nursing services. Only 10 of the Senior Nurses or Directors of Nursing are prepared at the graduate level. It is at the graduate level that nursing administration, supervision, program planning, evaluation, and management are stressed.

The Minnesota Community Health Services Act of 1976 will stimulate even further growth in local public health services. At present, 45 counties are planning to develop the multi-service agencies promoted by the ACT — community health service agencies which could include such services as public health nursing, home care, environmental health, health education, and emergency medical services. To meet the population requirements of the ACT, 39 of the above 45 counties have formed into 10 multi-county planning units. In the next few years, Minnesota may have fewer but larger locally administered community health agencies providing a multiplicity of services.

DOCUMENTATION

Year	Number of Counties with P.H. Nursing Services	Number of Nurses Employed by Local P.H. Agencies
1933	18	27
1953	59	115
1973	79	500
1976	84	642

(Nurses Employed by Schools are not Included)

Note: In 1965, there were 53 one-nurse county agencies. In 1976, there are only three such agencies.

Year	Number of Counties Without P.H. Nursing Services	Number of Counties With P.H. Nursing Service But Without Certified Home Care Services
1971	11	19
1974	8	15
1976	3	11

Note: In 1976, 73 counties are served by 68 certified home care agencies. Sixty-two of the certified agencies are county or city public health agencies, five are hospital-based programs, and one is an H.M.O.

Year	Number of Multi-County P.H. Nursing Services	Number of Counties Involved
1975	3	8
1974	5	12
1976	6	17

APPENDIX E

PRIVATE COLLEGE CONTRACT PAYMENTS

TABLE 66

PAYMENTS UNDER THE PRIVATE COLLEGE CONTRACT PROGRAM FOR FISCAL YEAR 1977

Institution	Total Resident Enrollment	Total Grant-in-Aid Recipients	Payable Resident Enrollments	Resident Enrollment Payments	Grant-in-Aid Payments	Total Payment
Antioch Minneapolis Communiversity	198	2	196	$ 29,400	$ 1,000	$ 30,400
Augsburg College	1,390	209	1,181	177,150	104,500	281,650
*Bethany Lutheran College	131	21	110	13,200	8,400	21,600
Bethel College	910	98	812	121,800	49,000	170,800
Carleton College	496	20	476	71,400	10,000	81,400
Concordia College, Moorhead	1,695	301	1,394	209,100	150,500	359,600
Concordia College, St. Paul	270	83	187	28,050	41,500	69,550
*Golden Valley Lutheran College	366	98	268	32,160	39,200	71,360
Gustavus Adolphus College	1,766	192	1,574	236,100	96,000	332,100
**Hamline University	1,476	112	1,364	204,600	56,000	260,600
Macalester College	562	38	524	78,600	19,000	97,600
Minneapolis College of Art and Design	344	44	300	45,000	22,000	67,000
College of St. Benedict	1,314	282	1,032	154,800	141,000	295,800
College of St. Catherine	1,534	193	1,341	201,150	96,500	297,650
St. John's University	1,332	258	1,074	161,100	129,000	290,100
St. Mary's College	355	76	279	41,850	38,000	79,850
*St. Mary's Junior College	607	45	562	67,440	18,000	85,440
St. Olaf College	1,643	140	1,503	225,450	70,000	295,450
College of St. Scholastica	912	153	759	113,850	76,500	190,350
College of St. Teresa	465	98	367	55,050	49,000	104,050
College of St. Thomas	1,817	239	1,578	236,700	119,500	356,200
William Mitchell College of Law	1,037	0	1,037	155,550	0	155,550
Total Two-Year Institutions	1,104	164	940	$ 112,800	$ 65,600	$ 178,400
Total Four-Year Institutions	19,516	2,538	16,978	$2,546,700	$1,269,000	$3,815,700
Adjustment for St. Mary's JC from FY 1976						$ 4,055.20
TOTAL	20,620	2,702		$2,659,500	$1,334,600	$3,998,155.20

*Two-Year Institutions
**Includes Hamline School of Law

Payment Schedule

	RE[1]	GIA[2]
Two-Year Institutions	$120	$400
Four-Year Institutions	$150	$500

[1] resident enrollments

[2] grant-in-aid recipients

TABLE 67

PAYMENTS UNDER THE PRIVATE COLLEGE CONTRACT PROGRAM FOR FISCAL YEAR 1976

Institution	Total Resident Enrollment	Total Grant-in-Aid Recipients	Payable Resident Enrollments	Resident Enrollment Payments	Grant-in-Aid Payments	Total Payment
Antioch Minneapolis Communiversity	234	0	234	$ 30,361.50	$ 0	$ 30,361.50
Augsburg College	1,407	181	1,226	159,073.50	78,282.50	237,356.00
Bethany Lutheran College	121	8	113	11,729.40	2,768.00	14,497.40
Bethel College	837	72	765	99,258.75	31,140.00	130,398.75
Carleton College	488	23	465	60,333.75	9,947.50	70,281.25
Concordia College, Moorhead	1,650	259	1,391	180,482.25	112,017.50	292,499.75
Concordia College, St. Paul	257	56	201	26,079.75	24,220.00	50,299.75
Golden Valley Lutheran College	363	73	290	30,102.00	25,258.00	55,360.00
Gustavus Adolphus College	1,697	181	1,516	196,701.00	78,282.50	274,983.50
Hamline University	956	92	864	112,104.00	39,790.00	151,894.00
Hamline University School of Law	463	0	463	60,074.25	0	60,074.25
Macalester College	554	41	513	66,561.75	17,732.50	84,294.25
Minneapolis College of Art and Design	375	28	347	45,023.25	12,110.00	57,133.25
College of St. Benedict	1,234	255	979	127,025.25	110,287.50	237,312.75
College of St. Catherine	1,398	155	1,243	161,279.25	67,037.50	228,316.75
St. John's University	1,281	197	1,084	140,649.00	85,202.50	225,851.50
St. Mary's College	343	64	279	36,200.25	27,680.00	63,880.25
St. Mary's Junior College	562	16	546	56,674.80	5,536.00	62,210.80
St. Olaf College	1,554	117	1,437	186,450.75	50,602.50	237,053.25
College of St. Scholastica	925	122	803	104,189.25	52,765.00	156,954.25
College of St. Teresa	423	78	345	44,763.75	33,735.00	78,498.75
College of St. Thomas	1,712	164	1,548	200,853.00	70,930.00	271,783.00
William Mitchell College of Law	984	0	984	127,674.00	0	127,674.00
Total Two-Year Institutions	1,046	97	949	$ 98,506.20	$ 33,562.00	$ 132.068.20
Total Four-Year Institutions	18,772	2,085	16,687	$2,165,138.25	$901,762.50	$3,066,900.75
Total	19,818	2,182	17,636	$2,263,644.45	$935,324.50	$3,198,968.95

Payment Schedule

	RE*	GIA**
Two-Year Institutions	$103.80	$346.00
Four-Year Institutions	$129.75	$432.50

*resident enrollments
**grant-in-aid recipients

APPENDIX F
INTERSTATE RECIPROCITY

MINNESOTA-WISCONSIN PUBLIC HIGHER EDUCATION
RECIPROCITY AGREEMENT 1976-77

GENERAL PROVISIONS

(1) *Purpose and Nature of the Agreement.* The purposes of this agreement are mutually to continue to improve the post-secondary education advantages of residents of Minnesota and Wisconsin through greater availability and accessibility of post-secondary education opportunities and to achieve improved effectiveness and economy in meeting the post-secondary education needs of Minnesota and Wisconsin residents through cooperative planning and effort by two neighboring states. These purposes will be accomplished through granting students entrance to public post-secondary institutions in the neighboring state according to the same terms, conditions, and fees which govern entrance to those institutions by residents of the state in which the institutions are located. Under this agreement, Minnesota residents are afforded the opportunity to attend public institutions in Wisconsin on the same basis that Wisconsin residents attend these institutions; and Wisconsin residents are offered the opportunity to attend public institutions in Minnesota on the same basis that Minnesota residents attend these institutions.

With the exception of those programs identified within this agreement for which specific quotas are established, the opportunity to enter a public institution in the neighboring state will be dependent upon the availability of space in the particular program which the student seeks to enter. A student whose reciprocity application is approved by the appropriate agency in his state of residence will be accommodated in a public institution in the neighboring state if he meets those admission requirements which are applied to residents of the neighboring state and if space is available in the program which the student seeks to enter.

(2) *Duration of the Agreement.* This agreement is to be effective at the beginning of the 1975-76 academic year. The agreement will be reviewed annually and may be modified at any time upon mutual agreement of both parties to the agreement representing their respective states.

(3) *Scope of the Agreement - Students.* All persons who qualify as residents of Minnesota and Wisconsin for purposes of higher education under laws and regulations of the state of residency may be eligible to attend a public vocational school or a public collegiate institution as a student in the neighboring state under this agreement.

Wisconsin students enrolled in extension courses offered by Minnesota institutions in Wisconsin are not eligible for tuition reciprocity under this agreement. Minnesota students enrolled in extension courses offered by Wisconsin institutions in Minnesota are also not eligible for tuition reciprocity under this agreement.

(4) *Scope of the Agreement - Institutions.* All public vocational schools and collegiate institutions of higher education in Minnesota and Wisconsin are included under this agreement and are available to residents of the neighboring state in accordance with terms of this agreement.

COLLEGIATE EDUCATION

(1) *Plan for Collegiate Students Under the Agreement.* Under this agreement, any and all Minnesota residents are eligible to attend public collegiate institutions in Wisconsin as undergraduate, graduate, and professional students on the same basis for admission and tuition purposes that Wisconsin residents attend the same institutions. Similarly, any and all Wisconsin residents are eligible to attend public collegiate institutions in Minnesota as undergraduate, graduate, and professional students on the same basis for admission and tuition purposes that Minnesota residents attend these institutions. The Minnesota resident attending a Wisconsin institution is required to meet those admission and performance requirements which are applicable to Wisconsin residents.

Wisconsin residents attending Minnesota institutions are required to meet those admission and performance requirements which are applicable to Minnesota residents. Those charges for tuition and fees which apply to Minnesota residents attending Minnesota institutions will be applied to Wisconsin residents attending

Minnesota institutions under the agreement. Those charges for tuition and fees which apply to Wisconsin residents attending Wisconsin institutions will be applied to Minnesota residents who attend Wisconsin institutions under this agreement. The intent of this agreement is that there shall be no restrictions on the number of students from either state who may participate in this agreement.

(2) *Administrative Agencies*. The following state agencies shall be responsible for administering this agreement in their respective states:

State of Minnesota Higher Education Coordinating Commission
State of Wisconsin Higher Educational Aids Board.

(3) *University of Minnesota School of Veterinary Medicine*. Notwithstanding the provisions above, the University of Minnesota School of Veterinary Medicine shall accept, each year, not less than 17 students or 20% of the entering class of Veterinary Medicine, whichever is the greater, but shall not be required to accept more than 24 qualified residents of the State of Wisconsin as entering first year students into the professional veterinary medicine program.

(4) *Computation of Interstate Reimbursement for Tuition Loss*.

(a) On June 30, each state shall determine the number of undergraduate, graduate, and professional students for whom nonresident tuition has been remitted under this agreement during the academic year including the summer session. Each state shall certify to the other state, in addition to the number of students so determined, the aggregate amount of tuition that would have been paid in that year had this agreement not been in effect, the aggregate amount of tuition actually paid in that year and its "net tuition loss."

(b) "Net tuition loss" means the difference between the aggregate amount of tuition that would have been paid to a state in any school by residents of the other state had this agreement not been in effect and the aggregate amount of tuition paid to that state in that school year by residents of the other state.

(c) Enrollment determinations used in this computation shall begin with the fall session and include the next following spring and summer sessions.

(d) The state with the greater net tuition loss shall receive from the other state an amount determined by subtracting the net tuition loss of the state making the payment from the net tuition loss of the state receiving the payment.

(e) Any payment made under this agreement shall be a payment by one state to the other state and any allocation of funds to institutions to meet institutional costs associated with the agreement or for any other purpose shall be the responsibility of each respective state.

VOCATIONAL SCHOOL EDUCATION

(1) *Plan for Vocational Students Under the Agreement.* Students attending a vocational school in the neighboring state will be reimbursed for nonresident tuition by the student s home school district. In accordance with this procedure, a Minnesota resident may attend a public area vocational-technical school in Wisconsin at the same cost for tuition and fees as the cost to a Wisconsin resident, and a Wisconsin resident may attend a public area vocational-technical school in Minnesota at the same cost for tuition and fees as the cost to a Minnesota resident attending the same institution.

(2) *Student Applications.* In order to attend a public area vocational-technical school in the neighboring state under this agreement, a student must apply to the director of the nearest public area vocational-technical school in the student's state of residence. The director will secure the necessary approval from the State Department of Education in Minnesota and the State Board of Vocational, Technical, and Adult Education in Wisconsin. Approval to be subject to state policies for out-of-district tuition responsibilities.

(3) *Magnitude of the Plan.* The intent of this agreement is to provide the opportunity for every student who wishes to attend a public area vocational-technical school in the neighboring state under this agreement to do so. Accordingly, the number of eligible students to be accommodated under this agreement will be limited only by (1) the availability of funds for reimbursement of tuition and (2) the capacity of the specific program which the student seeks to enter.

(4) *Institutional Quotas*. No quotas for students attending public area vocational-technical schools under this agreement will be established. However, the opportunity to enter a public area vocational-technical school in the neighboring state will be dependent on the availability of space in the particular program which the student seeks to enter. A student whose application is approved in his state of residence will be accommodated in a public area vocational-technical school in the neighboring state if he meets those admission requirements which are applied to residents of the neighboring state and if space is available in the program which the student seeks to enter.

ADMISSIONS PROMOTION AND RECRUITMENT

The Minnesota Higher Education Coordinating Commission and the State of Wisconsin Higher Educational Aids Board jointly urge that all Minnesota and Wisconsin institutions follow the Statement of Principles of Good Practice, which has been adopted by the National Association of Secondary Schools and College Admissions Officers, and the recommended guidelines for institutions adopted by the Minnesota Higher Education Coordinating Commission, which are attached to this agreement, as appropriate codes of conduct for representatives of public institutions involved in admissions promotion and student recruitment in the neighboring state.

Richard C. Hawk

Richard C. Hawk, Executive Director
Minnesota Higher Education
Coordinating Commission

James A. Jung

James A. Jung, Executive Secretary
State of Wisconsin
Higher Educational Aids Board

NATIONAL ASSOCIATION OF COLLEGE ADMISSIONS COUNSELORS
9933 Lawler Avenue, Suite 500 Skokie, Illinois 60076 Tel. 312/676-0500

Statement of Principles of Good Practice

The high school and college admissions counselor believes in the dignity, the worth, and the potentialities of each student with whom he comes in contact. He is committed to assisting students to plan for post-secondary education. Believing that institutions of learning are ultimately only as strong as their human resources, the welfare of the individual student is the most important consideration in this counseling relationship.

Following is a statement of Principles of Good Practice for the National Association of College Admissions Counselors:

I. Admissions Promotion and Recruitment

A. College and University Members Agree:

1. Admissions counselors are professional members of their institution's staff. As profesionals, they receive remuneration on a fixed salary, rather than commission or bonus based on the number of students recruited.

2. Admissions officers are responsible for the development of publications used for promotional and recruitment activities. These publications should:
    - *a. State clearly and precisely requirements as to secondary-school preparation, admission tests, and transfer-student admission requirements.*
    - *b. Include statements concerning admissions calendar that are current and accurate.*
    - *c. Include precise information about opportunities and requirements for financial aid.*
    - *d. Describe in detail any special programs such as overseas study, early decision, early admission, credit by examination, or advanced placement.*
    - *e. Contain pictures and statements of the campus and community that are current and represent reality.*

3. Colleges and universities are responsible for all persons who may become involved in the admissions, promotional and recruitment activities (i.e., alumni, coaches, students, faculty) and for educating them about the principles outlined in this statement.

4. The admissions counselor is forthright, accurate, and comprehensive in presenting his institution to high school personnel and prospective students. The admissions counselor adheres to the following:
    - *a. State clearly the requirements, and other criteria.*
    - *b. Make clear all dates concerning application, notification, and candidate reply, for both admissions and financial aid.*
    - *c. Furnish data descriptive of currently enrolled classes.*
    - *d. Avoid invidious comparisons of institutions.*

5. The Admissions Counselor avoids unprofessional promotional tactics, such as:
    - *a. Contracting with high-school personnel for remuneration for referred students.*
    - *b. Contracting with placement services that require a fee from the institution for each student enrolled.*
    - *c. Encouraging a student's transfer if the student, himself, has not indicated transfer interest.*

B. Secondary School Personnel Agree to:

1. Provide a program of counseling which does justice to the college opportunities sought and available.
2. Encourage the student and his parents to take the initiative in learning about colleges and universities.
3. Invite college and university representatives to assist in counseling candidates about college opportunities.
4. Avoid invidious comparisons of institutions.
5. Refuse unethical or unprofessional requests (e.g., for lists of top students, lists of athletes, etc.) from college or university representatives (e.g., alumni, coaches, etc.).
6. Refuse any reward or remuneration from a college, university, or private counseling service for placement of its students.

C. College clearinghouses and matching services which provide liaison between colleges and universities and students shall be considered a positive part of the admissions process if they effectively supplement other high-school guid-

nce activities and adhere to the Principles of Good Practice contained herein.

II. Application Procedures

A. Colleges and Universities Agree to:

1. Accept full responsibility for admissions decisions and for proper notification of those decisions to candidates and, where possible, to secondary schools.
2. Receive information about a candidate in confidence and to respect completely the confidential nature of such data.
3. Notify high-school personnel when using students on admission selection committee.
4. Not apply newly-revised requirements to the disadvantage of a candidate whose secondary-school course has been established in accordance with earlier requirements.
5. Notify the candidate as soon as possible if the candidate is clearly inadmissible.
6. Not deny admission to a candidate on the grounds that it does not have aid funds to meet the candidate's apparent financial need, foreign students excepted.
7. Not require a candidate or his school to indicate the order of the candidate's college or university preference, early decision plans excepted.
8. Permit the candidate to choose without penalty among offers of admission until he has heard from all colleges to which the candidate has applied or until the candidate's reply date.
9. Not maintain a waiting list of unreasonable length or for an unreasonable period of time.

B. Secondary School Personnel Agree to:

1. Provide an accurate, legible, and complete transcript for its candidates.
2. Describe its marking system and its method of determining rank in class.
3. Describe clearly its special curricular opportunities (e.g., honors, advanced placement courses, seminars, etc.).
4. Provide an accurate description of the candidate's personal qualities that are relevant to the admission process.
5. Report any significant change in the candidate's status or qualifications between the time of recommendation and graduation.
6. Urge the candidate to recognize and discharge his responsibilities in the admissions process.
    a. *Complying with requests for additional information in a timely manner.*
    b. *Responding to institutional deadlines on admissions and refraining from stock-piling acceptances.*
    c. *Responding to institutional deadlines on room reservations, financial aid, health records, and prescheduling where all or any of these are applicable.*
7. Not, without permission of the candidate, reveal the candidate's college preference.

III. Financial Assistance: (Where Such Assistance is Based upon Need)

A. Colleges and Universities Agree That:

1. Financial assistance consists of scholarships, grants, loans, and employment which may be offered to students singly or in various forms.
2. They should strive, through their publications and communications, to provide schools, parents, and students with factual information about its aid opportunities, programs, and practices.
3. Financial assistance from colleges and other sources should be viewed only as supplementary to the efforts of the family.
4. In determining the financial contribution of the candidate's family, they use methods which assess ability to pay in a consistent and equitable manner such as those developed by the College Scholarship Service and the American College Testing Program.
5. They should clearly state the total yearly cost of attendance and should outline for each student seeking assistance an estimate of his need.
6. They should permit the candidate to choose, without penalty, among offers of financial assistance until he has heard from all colleges to which the candidate has applied or until the candidate's reply date.
7. They should clearly state policies on renewals.
8. They should not announce publicly the amount of financial award on an individual candidate because it is a reflection of the family's financial situation.

B. Secondary School Personnel Agree to:

1. Refrain, in public announcements, from giving the amounts of financial aid received by students.
2. Advise the student who has been awarded aid by non-college sources that it is his responsibility to notify the colleges to which he applied of the type and amount of such outside assistance.
3. Provide adequate opportunity within the school for all able students to receive a special recognition for their accomplishments, thus making it unnecessary for colleges to provide such honorary recognition through their financial-assistance programs.

Recommended Guidelines for Institutions

Concerned that ethical practices be followed and that the welfare of the prospective student receive primary consideration, members of the Commission and the Higher Education Advisory Council studied the issue of acceptable recruiting standards at Minnesota institutions.

As a result of these deliberations, the Commission recommends that all post-secondary institutions follow these guidelines:

1. **It is an appropriate function of institutions of post-secondary education to encourage citizens of the state to become students in order to enhance their own development and to increase their potential service.**

2. **In the exercise of that function, it is proper for institutions to disseminate broadly information about educational programs in general and institutional programs in particular and to consult with potential students personally about their needs and interests and the institution's relevant offerings.**

3. **It is appropriate to use the mass media to acquaint potential enrollees and their parents with programs available at institutions. It may be necessary to do so when other audiences than current high school students are addressed. Such dissemination should be positive and should not make unfair or unfavorable references to other systems or institutions.**

4. **It is imperative that institutions and their representatives be completely honest and accurate in assessing the adequacy of their offerings to meet the needs and interests of the student. This should include disclosure of any deficiencies that may be experienced by the student in the event of transfer or for the purposes of certification for employment.**

5. **In counseling prospective students, the welfare of the student must be the paramount consideration. Institutional representatives should be sufficiently informed about available educational options to know when programs at other institutions are better suited to the student's needs and interests, and should advise the student when this is the case.**

6. **A student who is regularly enrolled at any institution should not be considered a potential enrollee at another institution unless: a) he is completing his course of study at his present institution, b) he has formally requested information or counsel from that institution, or c) has formally notified that institution of his intention to transfer to it.**

In addition, the Commission urges all institutions to follow the Statement of Principles of Good Practice adopted by the National Association of Secondary Schools and College Admissions Officers and Minnesota Association of Secondary School Counselors and College Admissions Officers as an appropriate code of conduct for representatives of state institutions:

MINNESOTA-NORTH DAKOTA PUBLIC HIGHER EDUCATION RECIPROCITY AGREEMENT 1976-77

PURPOSE AND NATURE OF THE AGREEMENT

The purposes of this agreement are mutually to continue to improve the post-secondary education advantages of residents of Minnesota and North Dakota through greater availability and accessibility of post-secondary education opportunities and to achieve improved effectiveness and economy in meeting the post-secondary education needs of Minnesota and North Dakota residents through cooperative planning and effort by two neighboring states. These purposes will be accomplished through granting students entrance to public post-secondary institutions in the neighboring state according to the same terms, conditions, and fees which govern entrance to those institutions by residents of the state in which the institutions are located. Under this agreement, Minnesota residents are afforded the opportunity to attend public institutions in North Dakota on the same basis that North Dakota residents attend these institutions; and North Dakota residents are offered the opportunity to attend public institutions in Minnesota on the same basis that Minnesota residents attend these institutions.

The opportunity to enter a public institution in the neighboring state will be dependent upon the availability of space in the particular program which the student seeks to enter. A student whose reciprocity application is approved by the appropriate agency in his state of residence will be accommodated in a public institution in the neighboring state if he meets those admission requirements which are applied to residents of the neighboring state and if space is available in the program which the student seeks to enter.

DURATION OF THE AGREEMENT

This agreement is to be effective at the beginning of the 1975-76 academic year. The agreement will be reviewed annually and may be modified at any time upon mutual agreement of both parties to the agreement representing their respective states.

SCOPE OF THE AGREEMENT - STUDENTS

(a) All persons who qualify as residents of Minnesota and North Dakota for purposes of higher education under laws and regulations of the state of residency may be eligible to attend an institution governed and operated by the State Board of Higher Education in North Dakota and the Board of Regents, the State College Board, and the State Board for Community Colleges in Minnesota, except for those persons enrolled in special programs for which either state has contracted for a specific number of spaces in the other state.

(b) Any and all Minnesota residents are eligible to attend the above institutions in North Dakota as undergraduate, graduate, and professional students on the same basis for admission and tuition purposes that North Dakota residents attend the same institutions. Similarly, any and all North Dakota residents are eligible to attend the above institutions in Minnesota as undergraduate, graduate, and professional students on the same basis for admission and tuition purposes that Minnesota residents attend these institutions.

The Minnesota resident attending a North Dakota institution is required to meet those admission and performance requirements which are applicable to North Dakota residents. North Dakota residents attending Minnesota institutions are required to meet those admission and performance requirements which are applicable to Minnesota residents. Those charges for tuition and fees which apply to Minnesota residents attending Minnesota institutions will be applied to North Dakota residents attending Minnesota institutions under the agreement. Those charges for tuition and fees which apply to North Dakota residents attending North Dakota institutions will be applied to Minnesota residents who attend North Dakota institutions under this agreement. The intent of this agreement is that there shall be no restrictions on the number of students from either state who may participate in this agreement.

SCOPE OF THE AGREEMENT - INSTITUTIONS AND PROGRAMS

All public collegiate institutions and programs of higher education in Minnesota and North Dakota, except for those programs for which either state has contracted for a specified number of spaces in the other state, are included under this agreement and are available to residents of the neighboring state in accordance with terms of this agreement.

ADMINISTRATIVE AGENCIES

(a) The following state agencies shall be responsible for administering this agreement in their respective states:

State of Minnesota Higher Education Coordinating Commission
State of North Dakota Board of Higher Education

(b) The designated representatives of each of the two states responsible for implementation, certification of the students participating under the agreement, determination of cost factors and calculating reimbursement shall be the chief executive officers of the two administering agencies.

COMPUTATION OF INTERSTATE REIMBURSEMENT

(a) Annually, each state shall determine the number of students for whom nonresident tuition has been remitted under this agreement during the academic year including the summer sessions. The designated officer of each state shall certify to the other state the number of students so determined and the total number of credit hours covered by the reciprocity agreement.

(b) Enrollment determinations used in this computation shall begin with the fall session and include the next following winter, spring and summer sessions.

(c) Each state shall calculate and make annual payment to the other state based upon the total number of full-time equivalent students and a tuition differential factor of $622 per full-time equivalent student.

(d) Any payment made under this agreement shall be a payment by one state to the other state and any allocation of funds to institutions to meet institutional costs associated with the agreement or for any other purpose shall be the responsibility of each respective state.

Richard C. Hawk
Executive Director
MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

Kenneth E. Raschke
Commissioner of Higher Education
NORTH DAKOTA STATE BOARD OF
HIGHER EDUCATION

TABLE 68

Balance of Payments, 1975-76
Estimated Figures as of 12-10-76

Minnesota Students in Wisconsin

	Students	$
Fall*	4,218	2,614,311.52
Winter**	1,400	560,000.00
Spring	4,100	2,460,000.00
Summer	1,400	420,000.00
Estimated Total		6,054,311.52

Wisconsin Students in Minnesota

	Students	$
Fall*	1,846	623,361.25
Winter	1,800	594,000.00
Spring	1,630	537,000.00
Summer	510	76,000.00
Estimated Total		1,830,361.25

Projected Balance	
Projected Loss to Wisconsin	6,054,311.52
Projected Loss to Minnesota	1,830,361.25
Projected Balance Due Wisconsin	4,223,950.27

*Actual Figures Provided By Wisconsin Higher Educational Aids Board

**River Falls is the only quarter school in UW System.

TABLE 69

Balance of Payments, 1975-76
Rough Figures* as of 12-6-76

Minnesota Students in North Dakota

	Credits	FTE	$
UND			
Undergraduates	21,068	702.3	436,830.60
Graduates	1,685	70.2	43,664.40
ND School of Science Trade & Technical	10,063	186.4	115,940.80
Remaining Schools			
Undergraduates	42,499	944.4	587,416.80
Graduates	1,773	49.3	30,664.60
Total		1,952.6	1,214,517.20

North Dakota Students in Minnesota

	Credits	FTE	$
Undergraduates	35,103	780.1	485,222.20
Graduates	1,962	54.5	33,899.00
Total		834.6	519,121.20

Balance	
Loss to North Dakota	1,214,517.20
Loss to Minnesota	519,121.20
Balance Due North Dakota	695,396.00

*Clarification is needed on a number of students; summer school figures for the U of M branch campuses are still outstanding; summer school breakdown of undergraduate and graduate credits for Moorhead has been estimated.

TABLE 70

RECIPROCITY, 1976-77

STATUS REPORT, December 17, 1976

	# Eligible as of 12-15-76	Average # Expected to enroll
Minnesota in North Dakota	2991	2200
North Dakota in Minnesota	2283	1650
Minnesota in Wisconsin	5884	4600
Wisconsin in Minnesota (as of 11-04-76)	3191	2160
Total Students	14349	10610
Total Minnesota Students	8875	6800

Projected Balance of Payments	
Minnesota/Wisconsin (based on 1975-76 average tuition loss)	
Projected Loss to Wisconsin, FY77	6,808,000
Projected Loss to Minnesota, FY77	2,268,000
Balance	4,540,000
Minnesota/North Dakota (based on loss of $622 per student)	
Projected Loss to North Dakota, FY77	1,368,400
Projected Loss to Minnesota, FY77	1,026,300
Balance	342,100

These projections are based on 1975-76 growth and enrollment rates as follows:

Minnesota in North Dakota experienced an 8.5 percent growth rate from late fall until academic year end with 70 percent participation rate.

North Dakota in Minnesota experienced a 24.2 percent growth rate from late fall until academic year end. They are, however, experiencing a substantially higher rate of growth at this time and 30 percent growth rate was used for projections with a 55 percent participation rate.

Minnesota in Wisconsin growth rates for 1975-76 are unavailable; however, Minnesota and Wisconsin are experiencing similar rates of growth this fall. Therefore, the rate used for Minnesota in Wisconsin is the same as Wisconsin in Minnesota:

12 percent with a 70 percent participation rate

Wisconsin in Minnesota showed a 12 percent growth rate from late fall until academic year end with 60 percent participation rate.

Average 1975-76 tuition loss for Minnesota students in Wisconsin was $1,480; average 1975-76 tuition loss for Wisconsin students in Minnesota was $1,050.

APPENDIX G

TRANSFER DATA

TABLE 71

SYSTEM TO INSTITUTION TRANSFERS

Fall 1975

Undergraduate Students Transferred From:

Institutions Students Transferred To:	Minnesota State Universities	Minn. Priv. 4-Year Colleges	Minn. 2-Year Colleges			University of Minnesota	Out of State and Foreign	Total
			Pub.	Priv.	Total			
STATE UNIVERSITIES								
Bemidji	41	15	140	1	141	30	72	299
Mankato	88	77	283	25	308	88	308	869
Metropolitan	8	0	62	0	62	26	10	106
Moorhead	49	46	108	8	116	33	298	542
St. Cloud	101	50	420	17	437	89	117	794
Southwest	17	11	30	0	30	13	46	117
Winona	34	29	105	0	105	23	123	314
TOTAL	338	228	1148	51	1199	302	974	3041
UNIV. OF MINN.								
Crookston	9	3	6	0	6	0	11	29
Waseca	5	2	2	0	2	0	2	11
Mpls./St. Paul	512	639	1058	29	1087	0	1134	3372
Duluth	48	43	159	0	159	0	93	343
Morris	5	6	21	2	23	0	15	49
TOTAL	579	693	1246	31	1277	0	1255	3804
STATE COMMUNITY COLLEGES								
Anoka-Ramsey	44	28	23	5	28	64	35	199
Austin	10	2	2	0	2	6	7	27
Brainerd	5	0	4	0	4	5	16	30
Fergus Falls	5	0	1	2	3	0	13	21
Hibbing	18	9	22	3	25	13	16	81
Inver Hills	9	10	13	1	14	15	28	76
Itasca	6	2	8	1	9	2	7	26
Lakewood	19	11	20	1	21	61	40	152
Mesabi	1	1	5	0	5	5	2	14
Metropolitan	15	10	20	0	20	30	0	75
Normandale	31	23	45	0	45	60	53	212
North Hennepin	42	14	47	7	54	68	52	230
Northland	3	0	1	5	6	1	2	12
Rainy River	1	0	0	0	0	0	3	4
Rochester	143	50	54	9	63	77	227	560
Vermilion	10	5	11	0	11	6	8	40
Willmar	3	3	3	3	6	5	6	23
Worthington	11	2	1	1	2	2	32	49
TOTAL	376	170	280	38	318	420	547	1831

TABLE 71 (CONTINUED)

SYSTEM TO INSTITUTION TRANSFERS

Fall 1975

Institutions Students Transferred To:	Undergraduate Students Transferred From: Minnesota State Universities	Minn. Priv. 4-Year Colleges	Minn. 2-Year Colleges Pub.	Priv.	Total	University of Minnesota	Out of State and Foreign	Total
PRIVATE FOUR-YEAR								
Augsburg	2	15	45	22	67	15	30	129
Bethel	5	9	22	114	36	11	70	131
Carleton	2	4	3	0	3	2	24	35
Concordia (Moorhead)	16	4	14	25	39	10	80	149
Concordia (St. Paul)	6	10	9	110	19	10	55	100
Dr. Martin Luther	0	0	1	0	1	0	26	27
Gustavus Adolphus	2	4	3	6	9	2	16	33
Hamline	4	13	60	3	63	10	38	128
Macalester	6	10	18	1	19	9	73	117
Mpls. College Art & Design	10	21	11	3	14	29	88	162
Minn. Bible	0	1	5	0	5	0	5	11
North Central Bible	0	2	7	0	7	4	58	71
Northwestern	3	4	8	1	9	9	61	86
Pillsbury	3	0	6	1	7	2	19	31
St. Benedict	8	3	11	0	11	1	18	41
St. Catherine	7	11	29	2	31	14	40	103
St. John's	5	5	17	0	17	5	34	66
St. Mary's	7	2	8	2	10	4	22	45
St. Olaf	2	4	6	6	12	2	24	44
St. Paul Bible	6	7	6	0	6	5	28	52
St. Scholastica	9	10	23	2	25	20	39	103
St. Teresa	5	2	5	0	5	3	15	30
St. Thomas	10	12	62	8	70	13	43	148
TOTAL	118	153	379	106	485	180	906	1842
PRIVATE JR. COLLEGES								
Bethany Lutheran	0	0	0	2	2	3	10	15
Crosier Seminary	0	1	0	0	0	0	1	2
Golden Valley Lutheran	2	2	7	1	8	4	5	21
St. Mary's	21	24	43	0	43	79	28	195
TOTAL	23	27	50	3	53	86	44	233
Total Four-Year Colleges	1035	1074	2773	188	2961	482	3135	8687
Total Two-Year Colleges	399	197	330	41	371	506	591	2064
Total Private Colleges	141	180	429	109	538	266	950	2075
Total Public Colleges	1293	1091	2674	120	2794	722	2776	8676
TOTAL	1434	1271	3103	229	3332	988	3726	10751

APPENDIX H

ANNUAL MEETING OF POST-SECONDARY EDUCATION BOARDS ATTENDANCE LIST

(November 9)

The following persons attended the annual meeting of higher education board members:

Donald C. Hamerlinck, president, Higher Education Coordinating Board
Mary Schertler, Higher Education Coordinating Board
Harding Noblitt, Higher Education Coordinating Board
Vladimir Shipka, Higher Education Coordinating Board
Eunice Johnson, Higher Education Coordinating Board
Judy Hamilton, Higher Education Coordinating Board
Emil Erickson, Higher Education Coordinating Board
David Lebedoff, Higher Education Coordinating Board
Richard C. Hawk, executive director, Higher Education Coordinating Board
Arnold Anderson, State University Board
Thomas Coughlan, State University Board
Tim Penny, State University Board
Mary Phillips, State University Board
Kennon Rothchild, State University Board
Garry Hays, chancellor, State University Board
Joe Graba, deputy commissioner, State Department of Education
Lorin Gasterland, State Board of Education
Dan Burton, State Board of Education
Dorothea Chelgren, State Board of Education
Erling Johnson, State Board of Education
Ruth Meyers, State Board of Education
Henry Bromelkamp, State Board of Education
Howard Casmey, commissioner, State Department of Education
Neil Sherburne, chairman, University of Minnesota Board of Regents
Lauris Krenik, University of Minnesota Board of Regents
Michael Unger, University of Minnesota Board of Regents
Loanne Thrane, University of Minnesota Board of Regents
David Utz, University of Minnesota Board of Regents
Duane Wilson, secretary, University of Minnesota Board of Regents

Stanley Kegler, University of Minnesota, vice president, representing President C. Peter Magrath
Robert Latz, University of Minnesota Board of Regents
Douglas Bruce, State Board for Community Colleges
Toyse Kyle, State Board for Community Colleges
Arleen Nycklemoe, State Board for Community Colleges
Kathryn Vander Kooi, State Board for Community Colleges
Joseph Norquist, State Board for Community Colleges
Philip Helland, chancellor, State Board for Community Colleges
Robert Bonine, Higher Education Facilities Authority
Earl Herring, Higher Education Facilities Authority
Joseph LaBelle, executive director, Higher Education Facilities Authority
Terry Myhre, Globe Business College
Cliff Larson, Northwestern Electronics Institute
W. C. Nemitz, Rasmussen School of Business
Robert Hanke, Minneapolis College of Art & Design, representing President Jerome Hausman
Kristine Johnson, St. Olaf College
Robert Mars, College of St. Scholastica
George Connor, College of St. Teresa
Harvey Stegemoeller, executive director, Minnesota Private College Council

APPENDIX I

FEDERAL TITLE I PROGRAM
COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAM
(Title I, Public Law 89-329 as amended)

The federal Title I program is designed to improve the capacity of institutions to assist in solving community problems and to aid in the development of educational activities for adults. Besides the federal funds, institutions use matching funds from local governments, counties, regional commissions and other sources. As part of its administration of Title I, the HECB submits to the U.S. Office of Education an annual amendment for the state plan for community service and continuing education programs. The proposal is reviewed by the Board's Advisory Committee on Continuing Education and Community Service. Views are also solicited from several other individuals and agencies. Table 72 is a summary of Title I grants in 1975 and 1976.

TABLE 72

SUMMARY OF TITLE I GRANTS IN 1975 AND 1976

College	Amount
AUGSBURG COLLEGE "Training for Care-giving Staffs in Nursing Homes & for Volunteer Ombudsmen for the Elderly"	$14,000
MESABI COMMUNITY COLLEGE "Improved Utilization of Two Municipal Lakes"	$11,000
METROPOLITAN COMMUNITY COLLEGE "Center City Women's Upward Bound Mini College"	$20,000
MOORHEAD STATE COLLEGE "Health Education for Migrants"	$19,500
NORMANDALE COMMUNITY COLLEGE "A Regional Cooperative Program for Learning Disabled Adults at the Community College Level"	$20,500
NORTH HENNEPIN COMMUNITY COLLEGE "Career Clinic for Mature Women"	$ 9,950
ST. JOHN'S UNIVERSITY "Coping with Change: A Continuing Education Project for School Boards"	$19,641
ST. MARY'S JR. COLLEGE "Development of the Cedar-Riverside Lifetime Learning Center"	$27,270
ST. THOMAS COLLEGE "Educational Services in Retirement Planning for the Elderly Through a Symposium and Educational Television"	$11,000
UNIVERSITY OF MINNESOTA "A Community Based Resource Program for Child Care Personnel"	$19,288
UNIVERSITY OF MINNESOTA "Drug Monitoring and Education for the Elderly, Year II"	$16,000
UNIVERSITY OF MINNESOTA "Development Materials in Financial Administration for Units of Local Government"	$17,000
UNIVERSITY OF MINNESOTA "Skills Center at Stillwater State Prison"	$ 9,880
1976	
AUGSBURG COLLEGE "Gerontological Human Relations Training for Nursing Home Staff for the Comm. Elderly" II	$17,445
HAMLINE UNIVERSITY "Programs in the High Rise: Expanding Hamline's Service to Senior Citizens"	$ 4,000

MOORHEAD STATE UNIVERSITY "A Comprehensive Program of Public Ed. & Participation in Solving Environmental Problems"	$10,272
MOORHEAD STATE UNIVERSITY "Child Abuse Prevention Center"	$19,582
MOORHEAD STATE UNIVERSITY "Health Education for Migrants, II"	$ 9,800
NORTH HENNEPIN CC "Career Clinic for Mature Women"	$19,500
ST. JOHN'S UNIVERSITY 'Coping with Change: A Cont. Education Program for School Board Members"	$19,500
ST. MARY'S JR. COLLEGE "Matchmakers: Cont. Education in Chemical Dependency Using a Multi-Facility Learning Model"	$ 7,500
ST. THOMAS COLLEGE "Center for Education for Non-Traditional Students"	$19,383
UNIVERSITY OF MINNESOTA "Development of Curricula and Instructional Materials for Local Government Personnel"	$17,091
UNIVERSITY OF MINNESOTA "Training and Service Delivery to Families with Autistic Children and Their Immediate Community"	$19,229
UNIVERSITY OF MINNESOTA, DULUTH "Skill Training for Native Americans"	$16,157

APPENDIX J

FEDERAL TITLE VI UNDERGRADUATE INSTRUCTIONAL EQUIPMENT PROGRAM

(Title VI, Part F, Public Law 92-318, As Amended)

The Instructional Equipment Program is designed to assist in improving undergraduate instruction by providing grants for the acquisition of equipment to be used in the instructional process. Grants are awarded for either (1) laboratory and other special equipment, or (2) television equipment for closed-circuit direct instruction.

As the state agency designated for the administration and coordination of this program, the Higher Education Coordinating Board reviews, validates and ranks applications for grants according to the state plan and U.S. Department of Health, Education and Welfare (HEW) regulations. The U.S. Office of Education approves the state plan adopted by the Board and awards grants based upon its review and the Board's recommendations.

Since inception of the program, more than $1 million has been awarded to Minnesota colleges and universities. The result has been substantial improvement in the quality and quantity of instructional equipment for use in teaching undergraduate students in Minnesota.

In recent years funding for this program has been relatively stable with a slight decrease noticeable in the last three biennia. The Education Amendments of 1976 provided for the extension of authorization of the program. As of this writing the appropriations or funding level is pending further action by U.S. Office of Education and Congress.

Grants were awarded in June, 1975 and June, 1976 of the biennium. (See Tables 73 and 74)

SUMMARY OF PROGRAM

The program has been and continues to be an important program for institutions of post-secondary education in Minnesota. The number of applicants receiving grants and the improved instructional techniques made possible by the acquisition of equipment are indicative of the positive effects of the program.

Under this program grants have been made for laboratory and other special instructional equipment, materials, and related remodeling. These categories include audio-visual equipment, closed-circuit television equipment, materials, and minor remodeling. Each of these areas is directly related to maintaining an institutional climate in which instructional techniques may be constantly updated and the various educational technologies may be effectively employed in the teaching process.

TABLE 73

UNDERGRADUATE INSTRUCTIONAL EQUIPMENT PROGRAM
GRANTS FOR FISCAL YEAR 1975

CATEGORY I

Institution	Equipment Grant (Federal)
Bethel College	$10,000
Carleton College	$ 6,720
College of St. Catherine	$ 6,296
College of St. Benedict	$ 9,967
Concordia College, Moorhead	$ 8,011
Gustavus Adolphus College	$10,000
Hamline University	$ 1,673
Lakewood Community College	$10,000
Moorhead State College	$ 6,976
North Hennepin Community College	$ 5,000

St. Cloud State College	$10,000
St. John's University	$10,000
University of Minnesota Technical Institute, Crookston	$ 9,781
University of Minnesota, Morris	$10,000
University of Minnesota, Duluth	$ 9,750
TOTAL:	$124,174

CATEGORY II

Institution	Equipment Grant (Federal)
College of St. Benedict	$ 9,210
Concordia College, Moorhead	$ 4,610
North Hennepin Community College	$ 5,000
St. John's University	$10,000
TOTAL:	$28,820

TABLE 74

UNDERGRADUATE INSTRUCTIONAL EQUIPMENT PROGRAM GRANTS FOR FISCAL YEAR 1976

CATEGORY I

Institution	Equipment Grant (Federal)
Augsburg College	$ 5,512
Bethel College	$10,000
College of St. Catherine	$ 7,626
College of St. Benedict	$10,000
Hibbing Community College	$ 2,271
Lakewood Community College	$ 8,240
Metropolitan State University	$ 4,250
Minnesota College of Art & Design	$ 4,400
Normandale Community College	$10,000
North Hennepin Community College	$ 5,000
Rainy River Community College	$ 828
Rochester Community College	$ 8,400
St. Cloud State University	$10,000
St. John's University	$ 9,981
Winona State University	$10,000
TOTAL:	$106,508

CATEGORY II

Institution	Equipment Grant (Federal)
College of St. Teresa	$ 3,375
Hibbing Community College	$ 2,775
Metropolitan Community College	$ 1,071
St. Cloud State University	$ 9,778
St. John's University	$ 9,628
TOTAL:	$26,627

APPENDIX K

ACADEMIC FACILITIES PROGRAM
(Title VII, Part A, Public Law 92-318, As Amended)

Nearly $40 million in federal funds has been made available for expanding and improving physical facilities of colleges and universities in Minnesota since inception of the Academic Facilities Program. These funds have been awarded as matching grants to assist in financing the construction, acquisition, or rehabilitation of classrooms, laboratories, libraries, and related facilities. Under program requirements, construction of such facilities, either alone or together with other construction to be undertaken within a reasonable time, must result in a substantial expansion or creation of urgently needed (1) student enrollment capacity, (2) the capacity to provide health care for students and institutional personnel, or (3) capacity to carry out extension and continuing education programs on campus.

As the agency responsible for the administration and coordination of this program, the Higher Education Coordinating Board has been actively involved in assisting institutions of post-secondary education in Minnesota to obtain support for academic facilities construction. Applications for grants in the program are reviewed, validated and ranked in priority order according to the state plan and U.S. Department of Health, Education and Welfare (HEW) regulations in the categories of enrollment needs, space needs, and availability of matching financial support. As the applications and recommendations are forwarded to HEW, the Board serves as an advocate for the review and action process in Washington. Whenever possible, the Board also attempts to assist institutions in obtaining necessary matching funds or alternate funding if federal funds are either unavailable or not applicable.

During the past biennium, no additional funds for the program were available or appropriated. However, the Education Amendments of 1976 extended authorization for the program. Future appropriations and funding levels for this program are contingent upon congressional appropriations.

APPENDIX L

HIGHER EDUCATION COORDINATING BOARD ADVISORY COMMITTEES FOR THE BIENNIUM

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Rochester

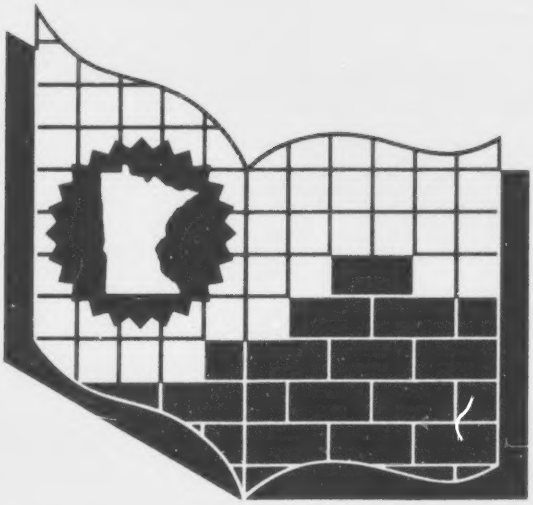
Phil Taylor
Science Museum of Minnesota
St. Paul

APPENDIX M

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

ANNUAL REPORT

FISCAL YEAR 1975



Suite 278, Metro Square, 7th & Robert Streets, Saint Paul, Minnesota 55101

MINNESOTA HIGHER EDUCATION
Facilities Authority

Office of the Executive Director

June 1, 1976

Mr. Donald C. Hamerlinck, President
Members of Higher Education Coordinating Board
Mr. Richard C. Hawk, Executive Director
Minnesota Higher Education Coordinating Board
Suite 400 Capitol Square Building
550 Cedar Street
Saint Paul, Minnesota 55101

Dear Commissioners and Mr. Hawk:

The Minnesota Higher Education Facilities Authority is pleased to submit its Fourth Annual Report for the period July 1, 1974 to June 30, 1975.

The Report provides a brief history of the Authority's founding and early operations, as well as highlights and accomplishments during fiscal 1975. Also included are various financial statements, particularly, the complete fiscal 1975 audit of Coopers & Lybrand.

The Authority can report it has undertaken five projects totaling $5,590,000 during the past year. The projects include a campus center, residence facilities, and a major academic building. The Authority, since its inception, has financed fourteen projects totaling $23,870,000.

More significantly, in these days of financial community anxiety over the financing of public agency revenue bond issues, the Authority is pleased to report that it has met all obligations as they became due. The Authority has never defaulted in the payment of interest on, or principal of, any of its issues. Furthermore, the Authority has been able to market and generate competitive public bids on its offerings.

The Authority is pleased to continue to be an effective means for helping higher educational institutions and looks forward to being of continued service to the higher education community and the State of Minnesota.

Respectfully submitted,

Bernard P Friel

Bernard P. Friel, Chairman

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MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Bernard P. Friel, Chairman Member, Briggs & Morgan, Professional Association, Lawyers, St. Paul Expert - Municipal Finance	January 1, 1977
Robert W. Freson, Vice Chairman City Administrator General	January 1, 1981
Richard C. Hawk, Secretary Executive Director, Minnesota Higher Education Coordinating Board Ex officio member	Indeterminate
Earl R. Herring Vice President for Administrative Affairs Moorhead State University Expert - Higher Education	January 1, 1979
James E. Schatz Member, Doherty, Rumble & Butler, Lawyers, St. Paul General	January 1, 1977
Robert W. Bonine Assistant Executive Director Northwest Area Foundation, St. Paul General	January 1, 1981
Robert J. Huston, Owner St. Cloud Harley-Davidson, St. Cloud Expert - Construction	January 1, 1979

Dr. Joseph E. La Belle, Executive Director

BOND COUNSEL	FISCAL ADVISORS
Faegre & Benson (John S. Holten) Minneapolis, Minnesota	Springsted, Incorporated (Osmon R. Springsted) St. Paul, Minnesota

THE AUTHORITY

The Minnesota Higher Education Facilities Authority was created by Chapter 868, Laws of Minnesota, 1971 (Sections 136A.25 -- 136A.42, Minnesota Statutes 1971), for the purpose of assisting institutions of higher education of the State in the construction and financing of projects. The Authority consists of six members appointed by the Governor with the advice and consent of the Senate and a seventh member who is the Executive Director of the Minnesota Higher Education Coordinating Board and who is designated as the Secretary of the Authority.

Originally the Authority was given power to issue revenue bonds in a total amount not to exceed $45 million. The 1973 Legislature increased this limit to an aggregate of $62 million of principal outstanding at any time. Bonds issued by the Authority can be payable only from the rentals, revenues and other income, charges and moneys pledged for their payment. They do not in any manner represent or constitute a debt or pledge of the faith and credit of the State of Minnesota.

By the provisions of Chapter 868, Laws of Minnesota, 1971 "...neither the authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agent under the provisions of this act or upon the income therefrom..."

Educational institutions of the State eligible for assistance by the Authority are non-profit educational institutions authorized to provide a program of education beyond the high school level. Sectarian institutions are not eligible for assistance; however, the fact that an institution is sponsored by a religious denomination does not of itself make the institution sectarian. Application to the Authority is voluntary.

The scope of projects for which the Authority may issue bonds is broad, including buildings or facilities for use as student housing, academic buildings, parking facilities and other structures or facilities required or useful for the instruction of students, or conducting of research, in the operation of an institution of higher education.

A project for which bonds are issued by the Authority becomes the property of the Authority -- as long as bonds of the Authority issued for the project remain outstanding. Thereafter they may be subject to repurchase options. The project is leased by the Authority to the institution for operation. The revenues which are the primary security for the bonds are provided according to the terms of the lease between the Authority and the institution. Prior to delivery of an issue the Authority enters into a mortgage trust indenture with a trustee who administers the funds which are the security for the payment of the bonds, except the funds of the General Bond Reserve Account. These are under the supervision of the Authority.

As a general policy the Authority requires that the proceeds of the bonds include a sum equal to approximately one year's debt service, after deduction of any interest subsidy grants, for the creation of debt service reserves. Of this sum 80% is deposited with the trustee in a series reserve account; the remaining 20% is deposited by the Authority in the General Bond Reserve Account pledged to the payment of all bonds issued by the Authority for which such a deposit has been made. Funds from the series reserve accounts and from the General Bond Reserve Account cannot be used to pay operating expenses of the Authority.

Although the Authority retains broad powers to oversee planning and construction, it is current policy to permit the institution almost complete discretion with respect to these matters.

In Minnesota Higher Education Facilities Authority v. Hawk, filed August 8, 1975, the Minnesota Supreme Court affirmed the constitutionality of the issuance of tax exempt bonds by the Authority to refinance debts incurred by Minnesota private colleges in the construction of facilities used solely for nonsectarian educational purposes. In the opinion of Bond Counsel, this decision also confirms the legality of bonds issued by the Authority to finance original construction, improvement, and remodeling of projects.

The Authority is financed solely from fees paid by the institutions for whom bonds are issued. At the time of issuance, and usually from bond proceeds, the Authority is paid .35 of one percent of the principal amount of the issue. Thereafter, commencing as of the date of issue, and payable in advance, but not from bond proceeds or funds of the issue, the Authority receives an annual fee of one-fifth of one percent of the original principal amount of the bonds for their life.

Bond issuance costs, including fees of bond counsel, the fiscal consultant and trustee are paid by the institution. The fees of bond counsel and the fiscal consultant also usually come from bond proceeds.

The staff of the Authority consists of its Executive Director, Dr. Joseph E. La Belle, and one secretary.

PROJECT DESCRIPTIONS

BOND SERIES "A" $2,200,000 AUGSBURG COLLEGE

Augsburg College, located in Minneapolis, constructed an apartment-type student housing facility of 104 units accomodating 312 students of Augsburg College and of adjacent institutions of higher education. The building had full occupancy with the opening of the fall terms in 1973. Moveable furnishings, except for common areas, are provided by the tenants.

BOND SERIES "B" $1,935,000 BETHEL COLLEGE

Bethel College, Arden Hills, constructed and furnished two units of seven buildings each to provide townhouse-type student housing accomodating approximately 480 students. A design-and-build package contract had been entered into and students occupied the facilities in January, 1974. The units are frame with partial brick exterior and are built on the College's new Arden Hills campus. Each unit has three bedrooms, living room, bath and storage. Plumbing has been placed for future installation of an efficiency kitchen. Each unit houses six students.

BOND SERIES "C" $ 595,000 ST. MARY'S COLLEGE

St. Mary's College, Winona, constructed six frame buildings having 28 apartments for the accomodation of 108 students and two faculty members. The units are on an Authority-owned site at the edge of the main campus.

BOND SERIES "D" $ 520,000 COLLEGE OF ST. SCHOLASTICA, INC.

The College of St. Scholastica, Duluth, constructed six four-plex, prefabricated, frame, apartment buildings to house four students per apartment for a total of 96. Each apartment has two bedrooms, a living room, kitchen and bath. Furnishings include carpeting, stove, refrigerator, kitchen table, love seat, coffee table, draperies, eight chairs and bedroom furniture of two beds, a chest, desk and built-in shelving.

BOND SERIES "E" $1,030,000 GUSTAVUS ADOLPHUS COLLEGE

Gustavus Adolphus College, located in St. Peter, used $300,000 of the Bond proceeds to remodel the old library building into a science classroom. The balance of the Bond proceeds were for construction of a new administration building.

BOND SERIES "F" $1,610,000 COLLEGE OF ST. BENEDICT

The College of St. Benedict, located in St. Joseph, constructed 30 two bedroom, furnished apartments with kitchen, each housing four students for a total of 120. The College also constructed an indoor swimming pool addition to the Physical Education building. Also, the College remodeled and improved the Home Economics Department facility and remodeled and improved the dining facility in St. Gertrude Hall, each with appurtenant equipment, furnishings, utilities and site improvements.

BOND SERIES "G" $8,450,000 MPLS. SOCIETY OF FINE ARTS

The Minneapolis Society of Fine Arts, established in 1883, is a Minnesota non-profit corporation that operates the Minneapolis Institute of Arts, a Children's Theatre Company and the Minneapolis College of Art and Design. The College of Art and Design, founded in 1886, is a four year accredited educational institution.

The Bonds have been issued for constructing a new technical academic building with appurtenant equipment, furnishings, utilities and site improvements at the Minneapolis College of Art and Design. The Bond project includes a pedestrian bridge to and furnishings and equipment for the existing college building. The new facilities will enable the present 475 student college to expand to 600 and will permit it to enlarge greatly the scope of its four year program which leads to the Bachelor of Fine Arts Degree in Fine Arts and Design, with areas of concentration in painting, print-making, sculpture, intermedia, graphic design, photography, film, video and fashion design. The new four-story building has been designed by Kenso Tange, internationally known Japanese architect whose other works include the Olympic Sports Stadium in Tokyo.

BOND SERIES "H" $ 340,000 COLLEGE OF ST. SCHOLASTICA, INC.

The College of St. Scholastica was founded by the Benedictine Sisters Benevolent Association in 1906. The College was incorporated as a separate entity in 1962. Formerly a women's college, it became co-educational in 1968.

The proceeds of this Bond Issue were used to fund the Pine Apartment Building. The three-story brick and spancrete building houses 46 students. It has 11 four-student apartments. Each 800 square foot apartment has its own kitchen, bathroom, two bedrooms, living room and balcony area. An additional unit accomodates two students. The building has house laundry facilities for 142 students; 46 in the new facility and 96 from the adjoining Grove Apartments.

BOND SERIES "I" $1,600,000 AUGSBURG COLLEGE

Founded in 1869, Augsburg College is a private four year Liberal Arts College, one of 11 senior colleges affiliated with and supported in part by the American Lutheran Church.

The Bonds have been issued to construct a two-rink, artificial ice, Ice Center on land of a 56,469 square foot area now owned by the College and adjacent to the campus. The facility includes moderate spectator capacity, dressing rooms, offices, a service shop and a concession area. It is used for physical education programs of the College, including intramural and intercollegiate competition. It is available for rental to other colleges and to junior hockey organizations.

BOND SERIES "J" $ 370,000 COLLEGE OF ST. BENEDICT

The College of St. Benedict is situated in St. Joseph, seven miles from St. Cloud, Minnesota. Since its foundation, St. Benedict's has grown as a college and as a religious community. Today it serves over 1,200 women and has on its campus a convent with 800 sisters in education, health service, and missions in the Bahamas, Puerto Rico, Japan and Taiwan.

The Bonds were issued to provide funds for the construction, equipping and furnishing of a campus center which includes a bookstore, snack bar, post office, student government office and recreational lounge space.

BOND SERIES "K" $ 800,000 COLLEGE OF ST. THOMAS

The College of St. Thomas was founded by Archbishop John Ireland in 1885. The present campus, comprising 45 acres, is situated on Summit Avenue in the City of Saint Paul, midway between the downtown districts of the Twin Cities of Saint Paul and Minneapolis, and serves more than 2,200 students in both baccalaureate and graduate programs.

The Bonds were issued for the construction, equipping and furnishing of a faculty residence with 23 apartments, two guest rooms, a conference room, a lunch meeting room, an exercise room and five garage stalls.

BOND SERIES "L" $2,280,000 ST. MARY'S JUNIOR COLLEGE

St. Mary's Junior College, founded in 1964, was established to meet the needs of the community in the area of health care personnel.

The Bonds were issued for the construction of a new academic building which will house classrooms, laboratories, administrative offices and a library. Since the College opened in 1964, it has used two buildings owned by adjoining St. Mary's Hospital in Minneapolis. One of these is a 90,000 square foot structure in which the College has classrooms, laboratories, administrative offices and dormitory rooms. In November, 1974, the hospital gave the College a 25 year lease on this well-kept 1929 building at an annual rental of $10.00. The second building is a 15,000 square foot structure in which the College now has some laboratories. This building must be demolished which, together with the need of this College for more room, has made the new building necessary.

BOND SERIES "M" $ 690,000 COLLEGE OF SAINT CATHERINE

Founded in 1905 by the Sisters of St. Joseph of Carondelet, the College has played an important part in the educational development of the Upper Midwest ever since. The campus covers an area of more than 100 acres in a residential section midway between downtown Saint Paul and downtown Minneapolis. St. Catherine's proximity to several private colleges, as well as the five-college policy of non-tuition student exchange, makes the College part of a multi-college community. The current enrollment is approximately 1,500 students, of which about half are residential.

BOND SERIES "N" $1,450,000 COLLEGE OF ST. BENEDICT

The College of St. Benedict is an academic community for 1,200 undergraduate women. It maintains close cooperation with the nearby St. John's University, a college for men. Bond Series "F" and "J" have also been issued for the College of St. Benedict.

Bond Series "N" was issued to construct, furnish and equip a new student residence facility for the College. The new, apartment-type facility will house 200 students and two faculty residents.

NEW BOND ISSUES

FISCAL YEAR 1975

BOND SERIES	DATE	FINAL MATURITY	AVERAGE MATURITY	NET INTEREST RATE	AMOUNT
First Mortgage Revenue Bonds, Series J (College of St. Benedict)	7/1/74	1999	19.77 yrs.	6.7826 %	$ 370,000
First Mortgage Revenue Bonds, Series K (College of St. Thomas)	12/1/74	1994	12.15 yrs.	6.5867 %	$ 800,000
First Mortgage Revenue Bonds, Series L (St. Mary's Junior College)	4/1/75	1994	12.64 yrs.	8.26173 %	$2,280,000
First Mortgage Revenue Bonds, Series M (College of Saint Catherine)	5/1/75	1996	14.51 yrs.	7.997284%	$ 690,000
First Mortgage Revenue Bonds, Series N (College of St. Benedict)	5/1 75	1994	13.26 yrs.	8.3202 %	$1,450,000
					$5,590,000

PREVIOUS BOND ISSUES

BOND SERIES	DATE	FINAL MATURITY	AVERAGE MATURITY	NET INTEREST COST	AMOUNT
First Mortgage Revenue Bonds, Series A (Augsburg College)	12/1/72	2012	29.534 yrs.	5.59296 %	$ 2,200,000
First Mortgage Revenue Bonds, Series B (Bethel College)	12/1/72	1997	16.31 yrs.	5.459212%	$ 1,935,000
First Mortgage Revenue Bonds, Series C (St. Mary's College)	1/1/73	1998	16.52 yrs.	5.48085 %	$ 595,000
First Mortgage Revenue Bonds, Series D (College of St. Scholastica, Inc.)	3/1/73	1997	15.16 yrs.	5.9538 %	$ 520,000
First Mortgage Revenue Bonds, Series E (Gustavus Adolphus College)	3/1/73	1993	12.98 yrs.	5.3544 %	$ 1,030,000
First Mortgage Revenue Bonds, Series F (College of St. Benedict)	3/1/73	1998	16.15 yrs.	5.7270 %	$ 1,610,000
First Mortgage Revenue Bonds, Series G (Mpls. Society of Fine Arts)	8/1/73	1984	7.07 yrs.	6.6689 %	$ 8,450,000
First Mortgage Revenue Bonds, Series H (College of St. Scholastica, Inc.)	6/1/74	1999	16.43 yrs.	6.4046 %	$ 340,000
First Mortgage Revenue Bonds, Series I (Augsburg College)	5/1/74	1995	14.037 yrs.	6.2011 %	$ 1,600,000
					$18,280,000

GENERAL BOND RESERVE FUND[1]
STATEMENT OF CONTRIBUTIONS AND EARNINGS
FOR THE YEAR ENDED JUNE 30, 1975

	DATE INVESTED	ORIGINAL INVESTMENT
$2,200,000 First Mortgage Revenue Bonds, Series A, (Augsburg College)	1/8/73	$ 31,743.60
$1,935,000 First Mortgage Revenue Bonds, Series B, (Bethel College)	1/8/73	$ 34,082.00
$ 595,000 First Mortgage Revenue Bonds, Series C, (St. Mary's College)	1/8/73	$ 9,000.00
$ 520,000 First Mortgage Revenue Bonds, Series D, (College of St. Scholastica, Inc.)	3/13/73	$ 8,643.40
$1,030,000 First Mortgage Revenue Bonds, Series E, (Gustavus Adolphus College)	3/13/73	$ 19,308.00
$1,610,000 First Mortgage Revenue Bonds, Series F, (College of St. Benedict)	3/13/73	$ 21,304.00
$8,450,000 First Mortgage Revenue Bonds, Series G, (Mpls. Society of Fine Arts)	9/13/73	$220,000.00
$ 340,000 First Mortgage Revenue Bonds, Series H, (College of St. Scholastica, Inc.)	6/12/74	$ 6,000.00
$1,600,000 First Mortgage Revenue Bonds, Series I, (Augsburg College)	5/8/74	$ 30,000.00
$ 370,000 First Mortgage Revenue Bonds, Series J, (College of St. Benedict)	7/11/74	$ 7,000.00
$ 800,000 First Mortgage Revenue Bonds, Series K, (College of St. Thomas)	1/17/75	$ 14,000.00
$2,280,000 First Mortgage Revenue Bonds, Series L, (St. Mary's Junior College)	4/29/75	$ 47,667.70
$ 690,000 First Mortgage Revenue Bonds, Series M, (College of Saint Catherine)	5/15/75	$ 12,000.00
$1,450,000 First Mortgage Revenue Bonds, Series N, (College of St. Benedict)	5/20/75	$ 28,000.00
	Sub Total	$488,748.00
	Earnings	65,190.00
	Total	$553,938.00

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[1] The Authority is permitted to invest moneys in the General Bond Reserve Account in: Direct obligations of the United States of America, Certificates of Deposit or Time Deposits secured by direct obligations of the United States of America, such other securities as are eligible for investment of public funds of the State of Minnesota or of municipalities of the State. All investments are limited by arbitrage provisions of the Internal Revenue Code and regulations thereunder. The Authority has placed these moneys in an investment account with the First National Bank of Saint Paul.

SERIES RESERVE ACCOUNTS[1]

CONTRIBUTIONS

NEW BOND ISSUES

	BOND ISSUE	SERIES RESERVE
First Mortgage Revenue Bonds, Series J COLLEGE OF ST. BENEDICT	$ 370,000.00	$ 28,000.00
First Mortgage Revenue Bonds, Series K COLLEGE OF ST. THOMAS	$ 800,000.00	$ 56,000.00
First Mortgage Revenue Bonds, Series L ST. MARY'S JUNIOR COLLEGE	$2,280,000.00	$190,668.00
First Mortgage Revenue Bonds, Series M COLLEGE OF SAINT CATHERINE	$ 690,000.00	$ 48,000.00
First Mortgage Revenue Bonds, Series N COLLEGE OF ST. BENEDICT	$1,450,000.00	$112,000.00
	$5,590,000.00	$434,668.00

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[1] By provisions of the mortgage trust indenture the trustee shall, upon request by the authorized institution representatives or the Authority, invest moneys in any of the following: Direct obligations of, or obligations fully guaranteed by, the United States of America; Certificates of Deposit of banks or trust companies having a combined capital and surplus of at least $25,000,000; Securities issued by the following agencies of the United States:

Federal Home Loan Banks
Federal Intermediate Credit Banks
Federal Land Banks
Banks for Cooperatives
Federal National Mortgage Association

SERIES RESERVE ACCOUNTS

CONTRIBUTIONS

PREVIOUS BOND ISSUES

	SERIES
$2,200,000 First Mortgage Revenue Bonds, Series A (AUGSBURG COLLEGE)	$ 126,194.00
$1,935,000 First Mortgage Revenue Bonds, Series B (BETHEL COLLEGE)	$ 136,328.00
$ 595,000 First Mortgage Revenue Bonds, Series C (ST. MARY'S COLLEGE)	$ 36,000.00
$ 520,000 First Mortgage Revenue Bonds, Series D (COLLEGE OF ST. SCHOLASTICA, INC.)	$ 34,573.60
$1,030,000 First Mortgage Revenue Bonds, Series E (GUSTAVUS ADOLPHUS COLLEGE)	$ 77,232.00
$1,610,000 First Mortgage Revenue Bonds, Series F (COLLEGE OF ST. BENEDICT)	$ 85,216.00
$8,450,000 First Mortgage Revenue Bonds, Series G (MPLS. SOCIETY OF FINE ARTS)	$ 880,000.00
$ 340,000 First Mortgage Revenue Bonds, Series H (COLLEGE OF ST. SCHOLASTICA, INC.)	$ 24,000.00
$1,600,000 First Mortgage Revenue Bonds, Series I (AUGSBURG COLLEGE)	$ 120,000.00
	$1,519,543.60
Total Series Reserve for New and Previous Issues	$1,954,211.60

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

for the year ended June 30, 1975

COOPERS & LYBRAND
CERTIFIED PUBLIC ACCOUNTANTS

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COOPERS & LYBRAND
CERTIFIED PUBLIC ACCOUNTANTS

IN PRINCIPAL AREAS
OF THE WORLD

To the Executive Director and Members of
The Minnesota Higher Education Facilities Authority:

We have examined the balance sheet comprising the various funds of the Minnesota Higher Education Facilities Authority as of June 30, 1975 and the related statements of revenue and expenses, changes in fund balances and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the various funds of the Minnesota Higher Education Facilities Authority at June 30, 1975 and the results of their operations and changes in financial position for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the change from the cash to the accrual method of accounting as described in Note 5 to the financial statements.

Coopers & Lybrand

Saint Paul, Minnesota
April 15, 1976

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

BALANCE SHEET, June 30, 1975

ASSETS	General Operating Fund	General Bond Reserve Fund (Note 4)	Revenue Bonds Fund
Cash	$ 5,571	$ 22,451	
Investments, at cost which approximates market		525,623	
Accrued interest receivable		5,864	
Leases receivable (Notes 3 and 4):			
Cash			$ 411,066
Investments, at cost which approximates market			5,456,404
Accrued interest receivable			73,475
Property under lease			17,668,898
Reserve deposits to General Bond Reserve Fund			488,748
Furniture and equipment (less accumulated depreciation of $1,890)	5,671		
Total assets	$ 11,242	$553,938	$24,098,591
LIABILITIES AND FUND BALANCE			
Revenue bonds payable (less unamortized discount of $513,468) (Note 4)			23,201,532
Reserve deposits from Revenue Bonds Fund		488,748	
Accrued interest payable			361,397
Accounts payable, due principally to the Minnesota Higher Education Coordinating Board	41,024		
Total liabilities	41,024	488,748	23,562,929
Fund balance:			
Unappropriated	(29,782)		
Appropriated (Note 1)		65,190	535,662
Total fund balance	(29,782)	65,190	535,662
Total liabilities and fund balance	$ 11,242	$553,938	$24,098,591

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REVENUES AND EXPENSES
for the year ended June 30, 1975

REVENUES	General Operating Fund	General Bond Reserve Fund	Revenue Bonds Fund
Rental income			$1,392,137
Application fees	$ 2,750		
Initial administrative fees	18,384		
Annual administrative fees	29,837		
Investment income		$36,696	272,692
Total revenues	50,971	36,696	1,664,829
EXPENSES			
Interest expense			1,222,488
General and administrative expenses	59,315	37	30,483
Total expenses	59,315	37	1,252,971
Excess (deficiency) of revenues over expenses	$(8,344)	$36,659	$ 411,858

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN FUND BALANCE
for the year ended June 30, 1975

	General Operating Fund	General Bond Reserve Fund	Revenue Bonds Fund
Unappropriated fund deficit, beginning of year	$(21,438)		
Expenses over revenues	(8,344)		
Unappropriated fund deficit, end of year	(29,782)		
Appropriated fund balance, beginning of year, as previously reported		$ 8,946	$123,804
Adjustment for change to accrual method of accounting (Note 5)		19,585	
Appropriated fund balance, beginning of year, as restated		28,531	123,804
Revenues over expenses		36,659	411,858
Appropriated fund balance, end of year		65,190	535,662
Total fund balance (deficit)	$(29,782)	$65,190	$535,662

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended June 30, 1975

	General Operating Fund	General Bond Reserve Fund	Revenue Bonds Fund
Funds provided:			
From activities:			
Revenues in excess of expenses		$ 36,659	$ 411,858
Add amortization of bond discount not requiring cash			49,585
Total from activities		36,659	461,443
Deposits from Revenue Bonds Fund		108,667	
Proceeds from revenue bonds issued			5,416,996
Increase in accrued interest payable			43,880
Decrease in accrued interest receivable		13,721	
Increase in accounts payable	$ 967		
Total funds provided	967	159,047	5,922,319
Funds applied:			
Applied to operations:			
Expenses in excess of revenues	8,344		
Less depreciation not requiring cash	(1,143)		
Total applied to operations	7,201		
Redemption of revenue bonds			100,000
Increase in funds invested		138,637	2,105,456
Construction drawings			3,174,330
Deposits to General Bond Reserve Fund			108,667
Increase in accrued interest receivable			49,377
Total funds applied	7,201	138,637	5,537,830
Increase (decrease) in cash	(6,234)	20,410	384,489
Cash, beginning of year	11,805	2,041	26,577
Cash, end of year	$ 5,571	$ 22,451	$ 411,066

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Authorizing Legislation and Funds:

AUTHORIZING LEGISLATION:

The Minnesota Higher Education Facilities Authority is a state agency created in 1971 by an Act of the Minnesota Legislature. The Authority was established for the purpose of assisting institutions of higher education in the construction and financing of educational facilities. The Authority is authorized to issue revenue bonds in a total amount not to exceed $62 million of principal outstanding at any time. Bonds issued by the Authority are payable only from the rentals, revenues and other income, charges and monies pledged for their payment. Amounts so issued shall not be deemed to constitute debt of the State of Minnesota.

FUNDS:

The following describes the funds maintained by the Authority, all of which conform with the authorizing legislation, bond resolutions and mortgage indentures:

General Operating Fund:

This fund derives its revenues from fees paid by the institutions for whom bonds are issued, as follows:

At time of issue - 1/3% of principal amount of the issue

Annually, thereafter, until repayment - 1/8% of original principal amount of the issue

General and administrative expenses of the Authority are paid from this fund.

General Bond Reserve Fund:

Established by the General Bond Resolution adopted October 31, 1972, this fund is funded by a specified portion of the original proceeds from each sale of Authority bonds. Monies so contributed, as well as investment earnings thereon, are appropriated as additional collateral for repayment of all Revenue Bonds outstanding (See Note 4). Upon retirement of its bonds, participating institutions will be rebated their original contribution to the fund and a proportionate share of accumulated investment earnings.

Continued

1. Authorizing Legislation and Funds, continued:

FUNDS, continued:

Revenue Bonds Fund:

This fund is comprised of separate trust accounts maintained to account for the use of each bond issue's proceeds, to receive lease payments and to accumulate required reserves and sinking funds as stipulated in the related mortgage trust indentures.

Proceeds of the bonds are held by a trustee and invested in certain securities until withdrawn for payment of construction costs or debt service.

Under the terms of a net lease agreement, the institution leases the project from the Authority over the life of the bond issue. The rentals under these agreements are defined so as to provide revenues to this fund in an amount sufficient to meet debt service and principal redemption requirements of the bonds as well as any additional expenses of the issue.

Upon retirement of a bond series, any fund balance remaining in the related trust accounts will be rebated to the institution. These funds are appropriated for the purposes specified in the mortgage trust indentures and as such cannot be used to pay operating expenses of the Authority.

2. Accounting Policies:

The following is a summary of the significant accounting policies applied in the preparation of these financial statements.

BASIS OF ACCOUNTING:

The Authority follows the accrual basis of accounting.

INVESTMENTS:

Investments are recorded at cost which approximates market.

BOND DISCOUNTS:

Bond discounts are amortized under the interest method over the term of the related bond series.

Continued

2. Accounting Policies, continued:

FURNITURE AND EQUIPMENT:

Office furniture and equipment is stated at cost and depreciated on the straight-line method over the estimated useful life of the asset.

LEASE RECEIVABLE:

Leases receivable are accounted for under the financing method. Since rentals under the lease agreements are intended only to fund debt service, principal redemptions and any related expenses, the Authority does not acquire an equity interest in the leased assets. Therefore, no deferred finance charges are recorded and the leases are capitalized at the present value of the lease payments at the inception of the agreement.

ISSUANCE COSTS:

The costs of issuing the bonds, which are insignificant in amount, are expensed as incurred.

3. Leases Receivable:

The Authority has entered into net lease agreements under which the assets of each project are leased to the participating institutions. Aggregate annual maturities of these leases are equal to the annual bond redemptions (Note 4), bond interest and other related expenses.

The term of each lease agreement corresponds to the maturity of the related bond issue. At the expiration of the lease the institution has the option to acquire the project from the Authority for a nominal fee.

Continued

NOTES TO FINANCIAL STATEMENTS, Continued

4. Revenue Bonds Payable:

Revenue bonds payable consist of the following serial bonds:

Original Principal Amount		Interest Rate	Maturity Dates	As at June 30, 1975 Principal Outstanding	Unamortized Discount	Principal Less Unamortized Discount
$2,200,000	Series A (Augsburg College)	4.0% to 5.6%	Dec 1, 1975 to Dec 1, 2012	$ 2,200,000	$ 30,148	$ 2,169,852
1,935,000	Series B (Bethel College)	4.0% to 5.6%	Jun 1, 1974 to Jun 1, 1997	1,880,000	32,774	1,847,226
595,000	Series C (St. Mary's College)	4.2% to 5.6%	Jun 1, 1976 to Jun 1, 1989	595,000	10,145	584,855
520,000	Series D (College of St. Scholastica)	5.3% to 6.0%	Mar 1, 1974 to Mar 1, 1997	500,000	8,671	491,329
1,030,000	Series E (Gustavus Adolphus College)	4.0% to 5.5%	Mar 1, 1975 to Mar 1, 1993	1,000,000	16,441	983,559
1,610,000	Series F (College of St. Benedict)	4.9% to 5.8%	Mar 1, 1974 to Mar 1, 1998	1,565,000	25,788	1,539,212
8,450,000	Series G (Minneapolis Society of Fine Arts)	6.4%	Aug 1, 1976 to Aug 1, 1983	8,450,000	182,256	8,267,744
340,000	Series H (College of St. Scholastica)	6.0% to 6.4%	Jun 1, 1975 to Jun 1, 1999	335,000	8,359	326,641
1,600,000	Series I (Augsburg College)	5.75% to 6.2%	May 1, 1976 to May 1, 1995	1,600,000	29,366	1,570,634
370,000	Series J (College of St. Benedict)	6.3% to 6.8%	Jul 1, 1976 to Jul 1, 2002	370,000	10,544	359,456
800,000	Series K (College of St. Thomas)	5.5% to 6.9%	Sep 1, 1975 to Sep 1, 1994	800,000	8,580	791,420
2,280,000	Series L (St. Mary's Junior College)	7.0% to 8.25%	Jan 1, 1977 to Jan 1, 1994	2,280,000	89,257	2,190,743
690,000	Series M (College of St. Catherine)	7.4% to 8.0%	Nov 1, 1976 to Nov 1, 1996	690,000	18,183	671,817
1,450,000	Series N (College of St. Benedict)	8.0% to 8.25%	Nov 1, 1976 to Nov 1, 1994	1,450,000	42,956	1,407,044
				$23,715,000	$513,468	$23,201,532

Under the terms of the related mortgage trust indentures, each bond issue is collateralized by a) all assets financed by the bond issue; b) all rights and revenues under the lease between the Authority and the institution; c) the assets in the Revenue Bonds Fund pertaining to each issue; and, d) a security interest in the assets of the General Bond Reserve Fund.

5. Restatement of Financial Statements:

The June 30, 1974 fund balance of the General Bond Reserve Fund has been increased by $19,585 to reflect the change from the cash to the accrual method of accounting for periods prior to the fiscal year ended June 30, 1975.

Continued

6. Commitments:

At June 30, 1975 the Authority had a lease commitment to pay, from the General Operating Fund, monthly rentals of $595 through September 1975 and $610 from September 1975 through September 1977 for office space. Rentals charged to expense in 1975 amounted to $7,140.

7. Subsequent Events:

Subsequent to June 30, 1975 the Authority issued five additional bond series for an aggregate amount of $15,305,000 with coupon rates ranging from 4.0% to 8.25%. The various bonds mature serially through 1994, except for one term bond issue in the amount of $4,000,000 which matures in the year 2000.

HUMAN RIGHTS STATEMENT

The MHECB has committed itself to the policy that there shall be no discrimination on the basis of race, creed, color, sex, age, or national origin in its programs, activities or employment policies as required by Title IX of the Education Amendments of 1972 and other applicable laws, regulations and Executive Orders.

Inquiries regarding compliance may be directed to Gene Reddemann, Office of Personnel and Affirmative Action, MHECB, 400 Capitol Square, 550 Cedar Street, St. Paul, MN. 55101, (612) 296-3974, or to the Director of the Office of Civil Rights, Department of Health, Education and Welfare, Washington, D.C. 20201.